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TRANSCRIPT OF RECORD

SUPREME COURT OF THE UNITED STATES

Case No. 100/1944

No. 100/1944

THE UNITED STATES OF AMERICA, PETITIONER

WILLIAM E. JOHNSON

No. 100/1944

THE UNITED STATES OF AMERICA, PETITIONER

JACK CONNORS, JAMES A. HARTIGAN, JOHN M.
FLANAGAN, ET AL.

ON WRIT OF HABEAS CORPUS IN THE UNITED STATES CIRCUIT
COURT IN DISTRICT OF THE SOUTHERN CIRCUIT

RECEIVED FOR RECORDING FILED DECEMBER 19, 1941
RECORDED JANUARY 2, 1942

IN THE

Plaintiff-Appellee,

v.s.

Defendant-Appellant.

Plaintiff-Appellee.

v.s.

Defendants-Appellants.

Northern District of Illinois, Eastern Division.

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1 And on, to wit, the 21st day of January, A. D. 1941,
came the defendants by their attorneys and filed in the
Clerk's office of said Court Bill of Exceptions in words and
figuers following, to wit:

2 IN THE DISTRICT COURT OF THE UNITED STATES
For the Northern District of Illinois,
Eastern Division.

United States of America, <i>Plaintiff-Appellee,</i> <i>vs.</i>	} No. 32168.
William R. Johnson, Jack Som-	
mers, John M. Flanagan, James	
A. Hartigan, William P. Kelly, and Stuart Solomon Brown, <i>Defendants-Appellants.</i>	

BILL OF EXCEPTIONS.

(Rule IX—Criminal Procedure.)

Be It Remembered that heretofore on to-wit, August 27,
1940, and from day to day thereafter until the conclusion of
the trial of the above-entitled cause, the following evidence
was admitted and proceedings had:

3 Opening Statements.

Mr. Hurley made the opening statement for the Govern-
ment and, after reviewing the indictment in a general way,
related what he expected the evidence to show on behalf of
the Government.

Mr. Hess (Excerpts from opening statement on behalf
of certain defendants):

Mr. Callaghan and I represent the defendants (except
Mr. Johnson) frequently referred to as "aiders."

With regard to Sommers, Creighton, Hartigan, Flan-
agan, Kelly and Mackay, as you have already heard here
about gambling going on, we concede they were operating
gambling clubs, and the evidence will show it. We con-
cede that it was their business and that they operated at

one point or another at some time or another during the years 1936 to 1939.

The evidence will not show that these twenty-two places that Mr. Hurley recited to you were being operated at one time or with any particular regularity. There was an operation at one point and then that would be closed for reasons that I do not have to tell you. This line of business is pushed around. Then they would move to some other club, . . . and as to the list of clubs referred to by the Government, these men operated some of them at some time; not all of them. Some of the clubs mentioned, we don't think there is any evidence, or we don't know of any, at least, that we had anything to do with them.

4 Now this is true of these gentlemen, and when I say that they operated gambling clubs, that wipes out everything that was said by the Government in its opening statement with respect to detail,—the names of the men working in there, the kind of game, the door man, and all of those details that go into the operation of a gambling club went into the operation of most of these gambling clubs.

So we will have no controversy about any of that feature of the case, but as you have been informed by the Court and by Judge Thompson and Mr. Hurley in their examination of you to serve as jurors, the question here is income tax, and not whether we operated a gambling house; we concede right here that we did operate them. . . .

I am not speaking for Mr. Johnson. . . .

5 You have heard what the Government expects to show with respect to banking and currency exchange facilities. There will be no question about any of that. Wherever the records show that any of my clients cashed any checks or exchanged currency, that is the fact. We did exchange currency and we did cash checks. . . .

The help, the evidence will show, in this line of business is a little different, slightly different, at least. They are paid every night. . . . Whether it is the night crew or the day crew.

6 Excerpts from Opening Statement of Mr. Thompson.

We have had outlined by the United States attorneys what they expect to prove. Most of my information about this case has come to me this morning when the United States attorney told what they expected to prove. I first

met Mr. Johnson just a few days ago and I was hired Monday afternoon to represent him in this trial which started Tuesday morning as you know.

Mr. Hurley: I object to anything like this as an opening statement.

The Court: Sustained.

7 The question in this case, as is obvious from the statement of the Government, is, first, whether or not Mr. Johnson has had an income larger than that which he has reported to the Government. The source of that income is altogether immaterial. That is the first question. The second question is,—Mr. Hurley stated that the second proposition and the one on which they base their case is that Mr. Johnson owned this great string of clubs in which gambling took place and that the income of these gambling houses was Mr. Johnson's income. • • •

Now, our proof will be that Mr. Johnson does not own any one of these clubs; that the income from these clubs is not his income. That is the defense. • • •

Now, we will prove this about Mr. Johnson. He was born and reared in Chicago. He has been a gambler all his life. He started shooting craps and playing marbles for keeps when he was twelve or thirteen years old and he has been doing it ever since, he has been shooting craps ever since. He is forty-five years old. He sits there at the end of the table, with a dark suit on, gray haired, forty-five years old, unmarried; lives with his mother here in Chicago and out on the farm in DuPage County; never has done anything else but gamble; that is his business.

He has made a lot of money. We will prove he has got the reputation of being a square gambler and that where-

8 craps that the game is on the square. We will prove that very often a gambling house in this town is referred to as a Bill Johnson gambling house because the gambling house is on the square and is a place where Bill Johnson plays and he won't play where the gambling house is not on the square. • • •

We will prove that Mr. Johnson had absolutely nothing to do with this currency exchange, had no interest in it whatever, he never cashed a check there, he never exchanged money there, he never bought a money order there, he never received a dime of income from the place.

Mr. Johnson owned either the building or an interest in the building. It was an old bank building that went broke

when banks went broke in this town. It was put on the market to be sold by the receiver. Mr. Johnson either by himself or as partner with somebody bought this building as an investment. It was there being operated. The safety deposit boxes were being rented and operated for the convenience of the people in the neighborhood and for others.

We will prove that there was a woman there in charge of these safety deposit boxes and as Mr. Brown's attorney, Mr. Hess, has said, that this building was rented by the currency exchange for fifty dollars a month, I think it was. The money was going to the agent who had charge of the building and being spent for any expenses to maintain the building. Mr. Johnson got no income from this building at all, but Mr. Johnson did own the building, that it did pay an income and that it did return a net result, the Government says in this indictment. * * *

We are going to prove that Mr. Johnson had no knowledge whatever of this so-called destruction of books, he doesn't know anything about it, he had no interest in them, had no connection with them and, therefore, no part of them is his affair.

9 There was a lot said about the Bon Air Country Club and Mr. Hess has already described to you in sufficient detail at this time that that was a big country club, golf course and all that and it is now a big roadhouse with facilities for the accommodation of the public just like hundreds of other roadhouses in the country. There is gambling goes on there occasionally, probably, like in other roadhouses.

Now Mr. Johnson is interested in that property. Mr. Johnson is a stockholder in the catering company as well as three or four other people. The books will explain just who the stockholders are. He owns, as I remember, about a fourth interest, about a fourth of the company. Mr. Johnson is also a part owner of the real estate itself, which is rented to the catering company on a percentage basis, just like many other rental contracts are and the catering company as a corporation has made its returns, it has never paid a dividend and, therefore, Mr. Johnson never had any income from it, but the catering company has made its returns at all times.

The property, the real estate which is leased to the catering company has several owners. I don't know who the owners are now, maybe only two owners, but anyway Mr. Johnson is a part owner of the property. All those facts will come out.

- 10 HELEN J. NORTON, a witness on behalf of the Government, being duly sworn, testified as follows:

Direct Examination by Mr. Hurley.

I am chief of the income tax assessment list in the office of the Collector of Internal Revenue at Chicago, Illinois. The First Collection District includes Cook County, and persons residing therein file their returns in Chicago. I have charge of the records and files pertaining to the filing of income tax returns in the First District of Illinois, and I am in charge of the income tax assessment list.

Government's Exhibit R-6 for identification was filed in the office of the Collector in Chicago. The stamp in green letters "March 15, 1933," appearing on the document indicates the date the return was received in the Collector's office. The stamp in the upper right-hand corner of the exhibit indicates the receipt of payment of part of the tax on March 17, 1933. There is also a deposit stamp showing the date the money for payment is sent to the bank. The stamp on the upper lefthand corner of the exhibit "Computation proved," indicates that the comptometer operator has proved the computation on the face of the return. Also appearing on the exhibit in the upper righthand corner in blue figures is the payment itself. The assigned serial number 817210 also appears. Also, on the exhibit are the red check marks of the comptometer operator. The red circle appearing in the lower right-hand corner of the exhibit is placed there by the auditor showing the tax to be assessed.

- 11 Government's Exhibit R-7 for identification is a return filed in the office of the Collector at Chicago, March 15, 1934.

Government's Exhibit R-8 for identification is a return filed in the office of the Collector in Chicago, March 15, 1935.

Government's Exhibit R-9 for identification is a return filed in the office of the Collector at Chicago on March 16, 1936.

Government's Exhibit R-10 for identification is a return filed in the office of the Collector in Chicago on March 15, 1937.

Government's Exhibit R-11 for identification is a return received by the Collector's office on March 15, 1938.

Government's Exhibit R-12 for identification is a return

filed in the office of the Collector in Chicago on March 15, 1939.

Government's Exhibit R-13 for identification is a return filed in the office of the Collector in Chicago and received on March 15, 1940.

The document shown me identified as Government's Exhibits R-6 to R-13, inclusive, are the returns of William R. Johnson for the years 1932 to 1939, inclusive. As a result of a personal search and examination of the files in the office of the Collector of Internal Revenue in Chicago, which I made, I can say that these returns are the only income tax returns filed by the defendant, William R. Johnson, for the period.

Government's Exhibits R-86 to R-106, inclusive, for 12 identification are certified copies of records in the office of the Collector at Chicago known as the income tax assessment list. The entries on the assessment list are taken in some cases from the entry made from the original return, in some cases from a revenue agent's report showing a deficiency, and in other cases the entry is made on the assessment list by the Commissioner of Internal Revenue indicating a deficiency.

I have made a personal examination of the records of the office of the Collector at Chicago to determine how much income tax was paid by William R. Johnson during the year 1932.

The Court: This is for the purpose of showing expenditures by the defendant?

Mr. Hurlev: Right; moneys paid during 1932 into the Collector's office.

Mr. Thompson: We object on the ground that there is nothing in the indictment or bill of particulars to which this relates and it is immaterial.

The Court: Objection overruled.

The Witness: There was a payment of \$596.03 made April 2, 1932, and a payment of \$786.00 made July 19, 1932. There was income tax paid in four equal installments: March 15th, June 8th, September 7th and December 13, 1932, totalling \$7,576.64. The amount of income tax paid by William R. Johnson in 1933 was \$8,610.10.

For the year 1934 the amount of income tax paid by Johnson was \$17,767.15, and there is a payment here, tax, penalty and interest, totalling \$11,808.08 made during 1934.

13 During the year 1935 Johnson paid income tax in four equal installments totalling \$40,464.13, and also an additional tax of \$909.43.

In 1936, the amount of income tax paid by Johnson in four equal installments was \$11,029.79, and also an additional tax of \$9,032.45.

The income tax paid by Johnson in 1937 consisted of one payment of \$4,686.83, four equal installments totalling \$71,915.35; also \$1,223.59; and \$724.93.

In 1938 William R. Johnson paid income tax in the sum of \$128,399.72.

In 1939 William R. Johnson paid income tax of \$34,530.94. These were all the income taxes paid by William R. Johnson during the years 1933 to 1939, inclusive.

The various entries made on the documents which I examined in the office of the Collector of Internal Revenue in Chicago were made in the ordinary course of business, and at or about the time the transaction took place, and kept under my supervision and direction.

Cross-Examination by Mr. Thompson.

The records which I have identified today show that the income tax of William R. Johnson for the year 1932 was audited, and all the tax that was demanded of him up to that date has been paid. I do not know who audited the returns. The notation "audited by E:AJ 1936" is put
14 on there by a revenue agent, but I do not know who it is. Any records which would show whose initials these are would be in Washington in the office of the Commissioner of Internal Revenue. The report is on file.

Referring to Government's Exhibit R-7, being the income tax return of Johnson for 1933 filed in 1934, Schedule A indicates the kind of business engaged in as "miscellaneous betting commissions and gambling." This return was audited in due course by an agent of the Department with the result that a deficiency was assessed in 1935. This deficiency was paid by Johnson September 19, 1935. All the taxes which have been assessed up to date against Johnson for the year 1933 have been paid by him.

With regard to Government's Exhibit R-8, being the return for the year 1934, the net income is shown thereon as \$134,811.46. This is designated as "miscellaneous speculative income." This return was audited by agents of the Department and a deficiency was assessed in October, 1936,

and was paid together with interest on November 16, 1936. I can state that it was paid from the certified copies of the assessment list identified as Government's Exhibit R-99. I do not know who audited that return.

Referring to Government's Exhibit R-9, being the return for the year 1935 filed on March 16, 1936, a deficiency was assessed in November, 1937. From the name appearing on the stamp, "J. T. Blocker" made the audit. The deficiency tax together with interest was paid December 21, 1937.

15 Referring to Government's Exhibit R-10, being Johnson's return for the calendar year 1936, the original amount returned for tax was \$71,915.35. This return was audited apparently by J. T. Blocker.

On the re-audit of Mr. Johnson's return for the year 1936, Johnson paid the deficiency together with interest on December 21, 1937.

Another 1936 assessment appears on our records. I am referring to Government's Exhibit R-106 which is a jeopardy assessment. The amount outstanding is \$526,967.26. The \$836.75 appearing as a credit is a payment which was made June 15, 1940.

A jeopardy assessment is an assessment of income tax made under Section 273 of the Revenue Act which provides immediate assessment of the income tax. There is also a jeopardy assessment against Johnson for the year 1937 and the year 1938. I do not have a jeopardy assessment among these papers for Johnson for the year 1939. The records which I have do not show any claim for some \$33,000.00 and an acceptance of \$11,000.00 in settlement of that claim. If it was a claim that appeared for these years, it

would appear on the assessment list which I have now,
16 and there is no record on the assessment list indicating any claim for these years. I have a payment here of \$11,808.08 made December 14, 1934, which appears on Government's Exhibit R-95 which is a deficiency, a tax for the year 1931 which was assessed in addition to the regular return. The amount of the tax was \$9,738.90. There was penalty and interest due thereon. It was an assessment and was paid.

Mr. Hurley: At this time, if the Court please, I will offer in evidence GOVERNMENT'S EXHIBIT, for identification, R-6-13, inclusive, and R-86-106, inclusive.

Mr. Thompson: We object to those exhibits which are of periods prior to 1936, because the year 1936 is the first

year covered in the indictment or in the bill of particulars; and we also object to the receiving of these documents on the theory suggested by the United States Attorney, that is, he was showing what was spent during the years '32 to '35, inclusive, except that he should go back and show the income of the years prior thereto. If he purports to make an audit of Mr. Johnson's income and expenditures he has got no right to start with 1932. He should go all the way back.

The Court: Overruled.

Mr. Callaghan: Your Honor, I want to add to my associate's objection, and make the additional objections on behalf of our defendants, that these income tax returns on William R. Johnson are not binding in any way upon our defendants at this stage of the proceeding.

17 The Court: Proceed.

Mr. Hurley: They may not be at this time. I think, if the Court please, if the evidence goes in, then it will. At least I want to make that reservation at this time until I shall connect it.

The Court: You propose to connect them up?

Mr. Hurley: Yes.

The Court: They may be received.

Mr. Callaghan: Subject to the objection. May it be understood, if Your Honor please, that we need not repeat objections of other counsel, these various objections; and that we need not take an exception to each ruling of the Court?

The Court: All I require is that I know I am ruling on something. If I know I am ruling on something, then you may assign an error on any ruling I make.

Mr. Hurley: However, they are at this time against the defendant Johnson. This objection only goes to the other defendants.

The Court: What is that?

Mr. Hurley: This objection only goes to the other defendants.

The Court: Yes.

Mr. Hurley: Yes, they are admissible against the defendant Johnson.

The Court: You may preserve an exception to any ruling to which you call my attention.

18 The Court: Yes. These exhibits are admissible against Mr. Johnson at this time. As to the other de-

fendants, they are admitted subject to your promise to connect them up.

(Said documents so offered and received in evidence were marked as GOVERNMENT'S EXHIBITS R-6 to 13, and R-86 to 106.)

LEWIS H. WILSON, called as a witness on behalf of the Government, having been first duly sworn, was examined and testified as follows:

Direct Examination by Mr. Hurley.

My name is Lewis H. Wilson; I live at Chicago, Illinois. I am an Internal Revenue Agent stationed at Chicago, Illinois, for the past twenty-two years and two months.

I did not in the month of December, 1931, have a talk with a man named William R. Johnson; I did a little bit later pertaining to that date. A conversation was had on January 26, 1934. I do see the man in the court room that I had the talk with. (Indicating the defendant, William R. Johnson). Revenue Agent, John T. Blocker, was present. The place was in my office, Room 426, this building.

Q. Now, will you state what your conversation with Mr. Johnson was at that time?

A. In relation to a protest that he had filed.

19 Mr. Hess: This is not binding on us.

The Court: Do you promise to connect this up?

Mr. Hess: It is not binding on us, conversation with him.

Mr. Hurley: I would say let it go in as against the defendant Johnson unless it is later connected up.

The Court: Well, it may be received as against the defendant Johnson.

The Witness: I asked him how much he had on December 31, 1931. He said he had his bank roll of \$10,000.00 and \$68,000.00 in accumulated gambling profits in the safety deposit box. He said that all the money in the box was gambling profits. He kept all his gambling profits in his box; not in his bank, he told me. He said it was in the form of currency. We discussed several adjustments made on examination of his income tax return for 1931, particularly in relation to currency, and he told me at that time what he had on December 31, 1931.

Mr. Thompson: I move to strike this testimony as having no bearing on the issues made by the indictment and is not covered by the matter stated in the bill of particulars.

The Court: Denied.

Thereupon the Government offered and there was received in evidence GOVERNMENT'S EXHIBIT O-1 purporting to be a map of Cook County, to which an objection was interposed to the written information appearing on the map, which objection was overruled.

FRANK M. JIRACEK, called as a witness on behalf of the government, having been first duly sworn, was examined, and after testifying, on motion of Mr. Thompson, the testimony of the witness was stricken.

FRANK J. ZIMANZL, called as a witness on behalf of the Government, having been first duly sworn, and after testifying, on motion of Mr. Thompson, the testimony of this witness was stricken from the record.

SAMUEL C. TAVALIN, called as a witness on behalf of the Government, having been first duly sworn, testified as follows:

21

Direct Examination by Mr. Miller.

My business is real estate mortgages; I have been so engaged for over fifteen years. I have been president of the General Mortgage Investments since 1928. I have known the defendant, William R. Johnson, about twenty-five years. I have had business transactions with him. My first business transaction was in 1925. I was one of the members of a syndicate that had acquired some real estate. The members of the syndicate were Leo Glazer, Samuel Robin, Leo Fields, William R. Johnson, Jack Wolf, Julius Anixter, Lewis Stryker and myself. The syndicate was interested in the Northeast corner of Dearborn and Division, known as 1209 North Dearborn Street,—1201 to '09, possibly '13. It is a three-story commercial building, stores, offices, and apartments and lodge halls. In the latter part of 1933, we sold out to Mr. Johnson. There were

considerable negotiations as to the amount, the sale price for the equities, and I believe it was agreed to be approximately \$16,000.00 which Mr. Johnson paid for the interest of all the other members of the syndicate. It seems to me that the title to that piece of property at the time of sale was in the name of the Foreman Bank as trustee. I handled the transaction whereby Mr. Johnson acquired title to that building. I received payment of the \$16,000.00, that I mentioned, from Mr. Johnson. There was a first and second mortgage on the property at that time amounting to approximately \$200,000.00. I think that at that 22 time the balance due on the first mortgage was about \$160,000.00; that was about December, 1933. I think the first mortgage was made with the Penn Mutual Life Insurance Company. I handled part of the negotiations for that loan and signed the mortgage. The co-signer of that mortgage obligation was Samuel Robin. At the time of the acquisition of title to this property by the defendant Johnson, there was an agreement made with regard to the then existing mortgages, both the first and second mortgage. I don't recall the conversation; the result was that the mortgage was paid off. I had no conversation with the defendant Johnson as to the payment of the first mortgage. There was a general conversation as to the second mortgage; it was at my office. Everybody in interest, at some time or other in the conversation, was present; by "every" I mean all these people just mentioned that were part of this syndicate. The defendant Johnson may have been present at that time. I did have a conversation with Johnson in my office with regard to the payment of the second mortgage in the latter part of 1933. It was before Mr. Johnson acquired title to the property. I don't remember what the conversation was or where it took place or who was there.

The Court: What is your best recollection as to where it took place?

The Witness: Well, it was in my office. I can't tie up any one conversation, your Honor; negotiations were pending over a period of several months before it was disposed of. The amount of the second mortgage that we owned was paid off at a slight discount by the defendant, William R.

Johnson. It was paid at my office to me. I don't recall 23 the exact amount; my office had part of the second mortgage, and other members of the syndicate owned

part of it. My office held about seventeen or eighteen thousand dollars; the total principal amount of the mortgage was \$45,000.00. Some of the balance of the notes were held by Mr. Johnson, Mr. Robin and Mr. Anixter. I don't recall how much these various people held. Mr. Johnson paid us about seventeen thousand dollars which was the amount due us according to our records. We may have accepted payment for some of the other members of the syndicate.

I have seen Government's Exhibit E-9 for identification before; they are general records of our office and reflect the transaction that I have just been discussing.

Q. Can you from this exhibit refresh your recollection as to how much was paid you on your own behalf or for anyone else?

A. It would take a little time to analyze this. It is not broken up that way. It does refresh my recollection of what happened in connection with this transaction. I don't remember how much was paid to me by Johnson for everybody; that does not help me. It was the amount of the second mortgage less the amount of notes that were not deposited with us. That amount may be \$15,000.00. The notes not deposited with us were possibly the notes owned by Mr. Johnson. I do know that Mr. Johnson had previous to this time acquired about \$13,000.00 in notes secured by this second mortgage. In round figures my testimony means that he paid me \$45,000.00, less \$13,000.00. The amount of \$32,000.00 would be approximately correct if all the notes were deposited with us.

24 Q. Did you examine Government's Exhibit E-9 carefully, Mr. Tavalin? Would that show the disposition of all of the notes secured by the second mortgage?

A. It shows a good many of them. I would have to check them out. They are forty-five and some odd notes. I do not see any of the last numbers on here. It is a fact that to my best recollection, Mr. Johnson paid for all of the notes other than the ones that he held himself.

(Witness examines Government's Exhibit E-9.) Number 3 indicates it was held by Mr. Johnson, amounting to \$5,000.00; 4, 5 and 6 were owned by Mr. Johnson personally. This sheet does not show the amounts.

I was agent of the building at 1201-09 North Dearborn Street after Johnson acquired title. As agent I collected

rents and leased vacant space; operated the property and rendered monthly statements to Mr. Johnson. I have been acting as agent performing those duties since January of 1934. I was employed in that capacity by Mr. Johnson and make reports to him every month.

I know the defendant, William Kelly. I had a business transaction with him in my office. Mr. Kelly inquired about the vacant lodge hall space that we had. There were some negotiations about the amount of the rent and it was finally determined. They were the usual negotiations when a prospective tenant leases space. I did lease premises in that building to Mr. Kelly; it was, I think, either in 1936 or 1937. The record will show that. I charged him \$450.00 a month; there was no lease made. It was an arrangement for the use of the space; no written lease.

25 Exhibits E-15, 16, 17, 18, 19 and 20 are monthly rental reports rendered by my office to Mr. Johnson. They are part of the original records of my office. It appears that I first rented the premises to the defendant Kelly about September of 1936. Relying on the record, I recall that about September, 1936, I made this arrangement with the defendant Kelly. The arrangement was \$450.00 a month and he does his own decorating and repairs or whatever is necessary. I don't recall whether I made similar arrangements with anyone else in the building. I did confer with Mr. Johnson in relation to this arrangement with the defendant Kelly; that was prior to turning over of possession. I advised Mr. Johnson that I had an inquiry from a Mr. Kelly and that Mr. Kelly indicated Mr. Johnson knew him, and I asked if it would be satisfactory to let him have the space. I may have told Mr. Johnson at that time that I did not have a lease for this tenant. I do not recall that Mr. Johnson said anything about that. Mr. Kelly took possession of the premises in 1936. It was the second floor loft at the north end of the building.

Q. One room?

A. Well, there may have been some other rooms. We gave it to him as is; we call it the lodge hall space. It was approximately 50 by about 120 or somewheres about that. I don't recall discussing any other space which the defendant Kelly was permitted to use under that same arrangement. I think the defendant Kelly used other portions of the premises subsequent to September, 1936. After the

first arrangement was made for the lodge hall, he used basement space. It is located in the same part of the building with the exception that it is in the basement rather than on the second floor. It was about 50 by 26 120; no additional rent was paid for that room.

I made a second mortgage on the property under date of July 15, 1932; the principal amount was \$45,000.00. There were twenty-one notes issued and secured by that mortgage; six notes of \$5,000.00 each, and fifteen of \$1,000.00 each. On December 20, 1933, at the time Johnson acquired title to this property, he held \$15,000.00 in second mortgage notes. At that time Johnson acquired the balance of the notes; he acquired the \$15,000.00 in notes during the years 1932 and 1933.

I had nothing to do with the first mortgage in the sum of \$160,000.00 after Johnson acquired title. I do not think I made any payments of interest or principal on account of the first mortgage; my recollection is that I did not.

I have seen Government's Exhibit E-15-A. It is a copy of the original statement of receipts and disbursements of the property at Dearborn and Division Streets for the year beginning February 1, 1935; these are carbons of the originals. The originals were forwarded to the owner, Johnson, the defendant in this case. To the best of my knowledge, Government's Exhibit E-15-A is a true and correct record of the transactions kept in the usual ordinary course of business and part of the permanent records of my company at the present time.

Exhibit E-15-A for identification is a duplicate of the original record of the receipts and disbursements for the property at Dearborn and Division Streets owned by Mr.

Johnson, for the year January, 1934, to December 31, 27 1934. I forwarded the original of this record to Mr.

Johnson. This record is part of our permanent records kept in the usual ordinary course of business, and the entries made thereon are accurate, to the best of my knowledge, and reflect the transactions on or about the date they occurred.

I have seen Government's Exhibit E-17 for identification before. It is a statement of receipts and disbursements for the year 1936 and it is a duplicate of the original records which were forwarded to Mr. Johnson, and they are part of our permanent records kept in the ordinary course of business and accurately reflect the transactions recorded thereon on or about the time they occurred.

I have seen Government's Exhibit E-18 for identification before. They are the records of the receipts and disbursements for the year 1937 for the property at Dearborn and Division Streets, and are duplicates of the original records which were forwarded to Johnson. They are part of the permanent records of our company and kept in the usual course of business, and the transactions reflected thereon are an accurate record of the same had at about the time they occurred.

I have seen Government's Exhibit E-19 for identification before; it is a copy of the original records of the receipts and disbursements for the property at Dearborn and Division Streets for the year 1938 and are duplicates of the original records; the originals were forwarded to Mr. Johnson. They are a part of our permanent records made in the usual and ordinary course of business, and accurately reflect the transactions stated thereon at or about the time they occurred.

I have seen Government's Exhibit E-20 for identification before. It is a copy of the original records of the receipts and disbursements for the property at Dearborn and Division Streets, beginning January, 1939. It is a duplicate set of our records; the originals were forwarded to Mr. Johnson. They are a part of the permanent records of our company made in the usual and ordinary course of business, and accurately reflect the transactions stated thereon at or about the time they were made.

I know the defendant, William P. Kelly. He occupied the second floor space at the north end of the building facing Dearborn Street, known as the lodge hall, the basement in the same building immediately below the restaurant and a small store at 1203 North Dearborn Street. The store was included in the rent paid for the other space. This store is somewhere between 11 by 15 or 20; it was a cigar store. The defendant Kelly occupied that space the last couple of years. The 1938 records indicate that he occupied that space. When he started it, I can't tell without a detailed check. The street number of the store was 1205; there was no other portion of the premises occupied by Kelly. The defendant Kelly usually brought the rent into the office; there were some delinquencies from time to time—he was in arrears at times. At one time it was about three months, I recall, and another time four months. I am not certain of that, however, without referring to the records. I did not state in what year he was in arrears.

I can refresh my recollection from examining Government's Exhibit E-18 as to the amount the defendant
29 Kelly was in arrears. It was \$1800.00; I did not collect it; the amount of rent was waived. I talked to the defendant Johnson about the arrearage in rent at about the time the arrears occurred; I don't remember the exact words. It was about the time Mr. Kelly started to pay rent again and Kelly said he wanted to start to pay rent, but he couldn't pay up the arrears. This is what I told Johnson. He wanted to know if that would be acceptable; then, there was a general discussion, but the final decision was to let him go ahead. I think Kelly paid maybe \$100.00 on the arrears; it seemed that the record indicated a hundred dollar settlement. I can refresh my recollection from the records; it was settled for a hundred dollars. Relying on the records, I have a recollection of making that settlement.

The defendant Kelly was again in arrears in his rent subsequent to the year 1937. I can't state when and in what amount from memory. I can refresh my recollection from Government's Exhibit E-20. He was in arrears \$1300.00.

The Court: Have you any independent recollection of that transaction?

A. I do not have an independent recollection of that transaction only that he was in arrears \$1300.00. I know that from the records. I know he was in arrears several times; by several I mean two or three. I would be guessing as to when they were. When he started paying again, he couldn't pay up the arrears. He only paid current rent.

I discussed the matter with Mr. Johnson. He said, "Well, if he can't pay up, leave it go."

Mr. Miller: Q. Did he again become in arrears in the payment of his rent after this last time that you have
30 just testified to?

A. Yes, sir. That was in 1940; the latter part of 1939, I think. It was several thousand dollars; I would have to refer to the records. I have no recollection of how much over two thousand dollars. I can refresh my recollection from Government's Exhibit E-20. My refreshed recollection about that is \$1305.00. Two thousand dollars was not the last one; that was the last one I looked at now, \$1305.00. Before I was talking about a later delinquency. The amount of \$1305.00 was not paid by the defendant Kelly; it was waived.

I talked to defendant Johnson about that—just about the time that Mr. Kelly started to pay rent again. It was the same like the first default—couldn't pay. I asked him what to do about the arrears in rent; Mr. Kelly said he couldn't pay it. There was some discussion about the possibility of renting the space, or something. Then, because of the impossibility of getting a new tenant, he decided to waive it; Johnson told me to waive it. I can refresh my recollection from examining Government's Exhibit E-20 as to a further arrearage on the part of the defendant Kelly. In December of 1939 it was \$3150.00 accrued and owed by the defendant Kelly; nothing was done about that. I have tried to collect it from Kelly; I have asked him about it. I didn't start any proceedings to collect it. Whenever he was delinquent, he promised to pay as soon as he could.

I talked to defendant Johnson about the \$3150.00 arrearage, in general, not at that particular time in December of 1939. I had a talk with defendant Johnson in December of 1939 about payment or collection of the \$3150.00 from defendant Kelly. We have had several discussions about it—some talk about trying to get a new tenant for the space. It may have been in November or December 31 of 1939 when I asked Johnson about those arrears, if there was anything I was expected to do about it. He didn't think there was any use of taking any action, because he did not think we could collect. That was the substance of Mr. Johnson's opinion as stated to me.

The defendant Kelly is a tenant in default in the building at 1205 North Dearborn Street. I don't know what I would call him. We are looking for a new tenant. The building custodian, the janitor, is in possession of the premises now, formerly occupied by the defendant Kelly.

I don't think there is any equipment in the premises; I have not been in the premises occupied by the defendant Kelly. I have been in the premises; the last time was about a year or so ago. There was a lot of furniture, chairs, tables and equipment referred to as gambling paraphernalia in the premises the last time I was there. That equipment was on the second floor—that part of the premises designated as the lodge hall.

I was in the basement and the cigar store occupied by the defendant Kelly; the last time, I would say, was about a year or so ago. It was vacant at the time; I don't recall

anything being in the room. I have been in the basement premises when there was something in that room. At that time there were tables and chairs. There were some writings on the walls, on the north walls, cardboards and so forth; the usual type that they have reports from horse race results, racing results.

I do not have the keys to the premises occupied by the defendant Kelly; the caretaker of the premises has them; I would not know if Kelly has any keys; maybe he has.

I would say that the tenancy is terminated. I do not know if Kelly still has the keys or not. I ordinarily take back the keys from tenants whose tenancy has been terminated.

I do not handle any other matters for the defendant, William R. Johnson.

I know the premises located at Thorndale and Glenwood Avenues in Chicago. I managed the premises for Mr. Johnson.

I have seen Government's Exhibit E-22 for identification before. They are reports of the receipts and disbursements for the apartment building located at 1356 Thorndale Avenue, the corner of Glenwood, for the year beginning December 1, 1935, and ending January 31, 1936. They are duplicates of our original records; the originals were forwarded to Mr. Johnson. These records are kept by our company in the usual ordinary course of business. They accurately reflect the transactions stated thereon at or about the time they occurred.

I have seen Government's Exhibit E-23 for identification before. It is a report of the receipts and disbursements for the property at 1356 and 58 Thorndale, the corner of Glenwood, for the period beginning January 31st, 1936, and ending December 31, 1936. They are statements of receipts and disbursements, and are duplicates of the original records which were forwarded to Mr. Johnson. Those records are kept in the usual ordinary course of business and they accurately reflect the transactions stated thereon at or about the time they occurred, subject to typographical errors.

I have seen Government's Exhibit E-24 for identification before. It is a statement of receipts and disbursements for the property at 1356 Thorndale Avenue, for the period beginning January 1, 1937, and ending December 31, 1937. They are duplicates of our original

records which were forwarded to Mr. Johnson. These records were kept in the usual and ordinary course of our business and they accurately reflect the transactions stated thereon at or about the time they occurred.

Government's Exhibit E-25 for identification is a report of receipts and disbursements for the apartment building located at 1356 Thorndale Avenue, at the corner of Glenwood, for the period beginning January 1, 1938, and ending December 31, 1938. They are duplicates of the original records; the original records having been forwarded to Mr. Johnson. These records were kept in the usual and ordinary course of business and accurately reflect the transactions stated thereon at or about the time they occurred.

Government's Exhibit E-26 for identification is a copy of a report of receipts and disbursements for the apartment building at 1356-58 Thorndale Avenue, corner of Glenwood, for the period beginning January, 1939, and ending February, 1939.

(Thereupon Mr. Thompson stated that he will admit that the witness will answer the qualifying questions the same as he has answered all the others.)

I see the defendant, William R. Johnson, in the court room, the man that is now standing up.

When Mr. Kelly, the defendant, paid rent to me, it was sometimes in cash and sometimes by check; I am not certain about that.

I have seen Government's Exhibit E-7 for identification before. It bears my signature. I have heard of
34 the Harlem Stables; I know of it. I think I have been there; it is on Harlem Avenue near Irving Park Boulevard. The purpose of my visit there was for recreation and to try and win some money in the slot machines. I did not play anything but the slot machines. There were a lot of people there, tables, gambling paraphernalia; tables they play dice on, roulette. There may have been something else; I did not pay any particular attention. I imagine I did see someone there that I knew. There were a lot of people there that I knew; I saw Mr. Johnson there. I don't recall seeing anybody else that may have been there. I think I visited the Harlem Stables two or three times in all. I don't think Mr. Johnson was there at each occasion. I just visited around, spent a little time and went away. I saw a lot of people that I knew,

friends. I may have seen some of the people in this court room there; I am not absolutely certain. I may have seen the gentleman at the end there. (Indicating the defendant, James A. Hartigan.) I talked to the defendant Johnson on the occasion of my visit to the Harlem Stables when he was there. The conversation was, "Hello" and "How are you" and "How is business," the usual conversation. There may have been something pertaining to the building; I don't recall offhand. I don't think I met him there by appointment. When I saw Mr. Johnson at the Harlem Stables, he was standing around talking to people.

The space occupied by the defendant Kelly was vacant for a year prior to his occupancy. There was typical lodge hall equipment on the second floor and the basement when they were occupied. The lodge hall equipment was removed when the lodge vacated the premises. I think it

35 was in 1934 or 1935, but our records will show that, I think. My best recollection is that it was vacant for about a year. The cigar store occupied by the defendant Kelly was vacant for about six months or a year, prior to Kelly being in those premises. Prior to the vacancy there was a lingerie shop or beauty parlor. Prior to the time Kelly occupied the premises, people had been in the building accused of gambling. They occupied the basement space under the Division Street stores. I was manager of the building at that time; I was managing the building for Mr. Johnson. I don't recall who occupied the premises just described.

Cross-Examination by Mr. Thompson.

I have lived in Chicago thirty-four years. During that period I have been in the real estate investment business over fifteen years. General Mortgage Investments is a corporation. I have been connected with that concern since 1928; I am president and principal owner of it. I transact all my business through the corporation. This corporation not only deals in mortgages, but also manages properties. We have close to forty employees. My business address is 33 North LaSalle Street. I have been located in that building since 1933, commonly known as the Foreman Bank Building or the American National Bank Building, right across the corner from the City Hall. I

moved into that building in 1933; the building was several years old at that time.

I have known Mr. Johnson for approximately twenty-five years. I first made his acquaintance—so that I could really say I had an acquaintance with him—in 1925. I was never in business with Mr. Johnson; that was
36 when I started this joint venture in this real estate business I was talking about. That is the only property that I ever purchased jointly with Mr. Johnson. Mr. Leo Field brought the deal to me. The property is located at the northeast corner of Dearborn and Division Streets. It has two fronts; approximately 130 feet on Division Street and 120 feet on Dearborn Street. The first floor consists of stores; the second floor is offices and lodge hall; and the third floor is furnished apartments; and then the basement. There is an entrance to these premises from both streets. There is a separate entrance for the basement from Dearborn Street. The same thing is true on Division Street. The entrance from the outside into the basement is separate from the entrance to the first floor of the building on both streets. There is no elevator in the building. There are nineteen apartments on the third floor; one room furnished kitchenette; some are kitchenette and some are just bedrooms. They have been occupied more or less during the time I have been managing the building, always as apartments; no other occupancy of the third floor except as apartments. The second floor has offices besides the lodge hall and the later gambling parlor. There are doctor's offices; at one time there was a beauty parlor up there; but the principal tenants are doctors. The offices are on both Dearborn and Division Street frontage. The lodge hall is located in the north end of the building with an entrance from Dearborn Street; it is a walk up. The Lincoln Park Chapter of the Masonic Lodge occupied the premises from the time
37 the building was built until about 1934 or 1935. My understanding is that the Masons rented their space. The highest rent, I think, they paid was \$425.00, and then it dropped to \$65.00. At one time it was \$425.00 and then later they gave up some of the time and they only used it for certain evenings, for which they paid \$65.00. The rent was graduated down as times got tougher and the percentage of occupancy was decreased and adjustments were made in their rent as these conditions

changed. So far as I know, there were never any gambling parlors up on the second floor in these lodge quarters prior to the time Mr. Kelly occupied the premises. The premises were empty approximately about a year when Mr. Kelly came to rent them. I did not know him when he first came to talk to me about it. I asked him what he intended to use it for and he said he wanted to run a club room. I asked him about what kind of a membership he was going to have and he said, "Well, they play Keno and cards." That is what his answer was. I didn't rent it to him; I asked him for references and he said that the owner of the building knew of him, so I thought before asking any further questions I would consult with Mr. Johnson. I did consult him. I think it was by mutual agreement between Mr. Kelly and myself that the amount to be charged for rent for the premises was fixed. I think the way it was, we dickered on the price and finally agreed on \$450.00 a month. I think it was about September, 1936, when he went into those premises. He paid his rent usually in advance. All rent is due and payable in advance at the first of the month; that was our usual practice with all of our tenants, and the same arrangement with 38 Mr. Kelly in that respect as with the other tenants.

He paid his rent fairly regularly as long as he was operating his business there. During the time that he got in arrears, they were not using the premises. I don't know whether he was out of business, but his equipment was there; he just didn't pay. I would not know if he did operate; I am not at the building that often to express an opinion on that. He said business was bad and he didn't have it to pay when I asked him about the rent. I think that the \$1,300.00 due for one period was waived entirely. The balance owing in December of 1939 was \$3,100.00; that would be seven months; that would make it about May. I heard that he was not running his club up there; I didn't go up to see. I got that information from the caretaker of the premises.

In the last three or four years we were managing from sixty to one hundred properties; I visited these properties myself more or less frequently. I have thirty or forty employees; some of them visit the properties too, more often than I do. I am the general executive head of this business and the details are left to my employees. When a man ceases to be a tenant and turns in his keys, he does not

come and turn them in to me personally. He would generally hand his keys to the caretaker of the premises when he left. We often have tenants who leave the premises without leaving the keys; we have to have new keys made pretty frequently. I do not know whether Mr. Kelly turned in his keys or not. I know the caretaker has access to the premises; he would not always have access to the premises
39 if a tenant was in there; I do not know what the arrangement was in that respect; there was no special arrangement. I know that the caretaker did not go in and out of these premises at will; I know that he didn't.

This cigar store was just an ordinary cigar store, so far as I could see, and previous to that, had been a little beauty parlor.

A horse parlor is a place where they make bets on horses; I have heard those terms. When Mr. Kelly occupied the premises it appeared to me that there was a blackboard down there with horses' names on it, odds, and so on. I have never bet on a horse in my life. I think it had names on it that looked like they might be horses' names; I did not examine them closely. I didn't pay any attention to them when I walked in there, but if you ask for an expression, that is what I would say. This horse parlor had the use of the upstairs and basement premises. The \$450.00 a month rent didn't start out including the basement and cigar store, but it gradually developed that way. It started out with just the lodge hall; the basement was used as a temporary accommodation. I couldn't say how long the basement was occupied; sometimes for a week. Prior to the occupancy of Mr. Kelly, the Lincoln Park Chapter occupied the basement for their restaurant equipment, banquet hall. It was used in connection with the lodge hall prior to Mr. Kelly's occupying the premises. The basement premises may have been occupied temporarily prior to Mr. Kelly's occupancy by a former tenant that had some trouble with water leaks in the other space, and we may have let
40 him use it temporarily while it was getting fixed; no special arrangements. I am quite sure there were several other lodges that occupied this lodge hall jointly with the Masonic Chapter after the Masons started using it only on part time. There was a space under the Division Street frontage occupied as a billiard hall for a while that was accused of running a gambling house in the space. I do not know what kind of gambling was going on there. It was not any of these defendants so far as I know. I

think it was in 1935 and also in 1936 that there were charges that this billiard hall was also a gambling place. There was quite a turnover in the tenancy of that space. There were several tenants; I can't recall their names. There were none of these defendants so far as I know. Whenever there was space, I would say over a hundred dollars involved per month, I would usually consult Mr. Johnson; usually consulted on the stores and basement, but the offices and apartments I used my own judgment. I remember consulting him particularly about the rental of this billiard parlor space down there in the basement on Division Street. I don't remember the name of the tenant that I discussed with him about the rental of that space. I am still managing this property for Mr. Johnson; this property was bought in 1925. We paid close to \$400,000.00 for it. About \$100,000.00 was paid in cash, and there would be a balance of roughly \$300,000.00 in a mortgage. That was jointly owned by this syndicate clear through to 1933. I do not think the syndicate changed during the eight-year period from 1925 to 1933. There were different percentages of ownership. Mr. Johnson had a fourth interest in 1925.

He put up a fourth of the cash payment—about \$25,-
41 000.00, and he had a fourth interest in the equity of the property then, subject to the mortgage. The first mortgage was already on the property; the second, I think, was signed by the trustee. I am not quite sure about that. The trustee, as I recall it, was the Foreman Bank.

From time to time Mr. Johnson acquired \$15,000.00 of the second mortgage notes, and in 1933 he took over the property and settled with the other owners of the various interests. He took it subject to the mortgages. I think he got an assignment of the certificates of beneficial interests which were subject to the outstanding mortgage obligations. He bought the remaining outstanding second mortgage notes at some discount. It was just a small, nominal discount, I would say. He paid somewhere about \$32,-
000.00 for these mortgage notes, or \$30,000.00.

I did not talk to anybody about my testimony in this case after I was excused from the stand at the close of court yesterday afternoon. Before I came back on the stand this morning, I did talk with Mr. Miller, the Assistant United States Attorney, just for a minute.

I looked over these ledger sheets; that is, this morning. I am not managing any other property now for Mr. Johnson. Previously I did manage this Thorndale and Glen-

wood premises; that was an apartment building. It is a three-story apartment building containing three fives, nine four room apartments, and a basement flat. My only connection with it is managing the property.

I do not know who operates or owns the Harlem Stables; I never managed it. It looks like a stables.

42 The documents marked Government's Exhibits E-15 to E-20, inclusive, relating to the Dearborn and Division Street property, are records of our office. They are carbon copies of reports sent to Mr. Johnson. These are not the original entries that were made in our books. When a tenant brought in some rent, this sheet was not made up right then and there. That sheet was made up from the receipt book; the cashier made that up; I am not cashier. All the cashier did was to issue a receipt when she received some rents; that is what the cashier was supposed to do under my instructions. After the cashier issued a receipt to the payer of rent, the bookkeeping machine operator would enter it on the monthly statement, on the same day or the next day. Her source of information to make her entries was a copy of the receipt. There were ten receipts to a book and the carbon copy remains in the book. I think the procedure is that the bookkeeper that operated the bookkeeping machine took these carbon sheets and made her entries on the monthly reports. Frankly, I am not sure that that was the procedure; that is an accountant problem that I leave to an accountant to take care of. I think that is the way it works, and what I meant to say when I was talking about these records, is that I think these records are out of our office. They look like our records that we delivered. When I took one of these documents and at the request of the United States Attorney, thumbed it through from the first page to the last. I didn't know any more about it then when I handled the whole thing. By thumbing
43 it through, I could see that they had General Mortgage at the top of the sheet. I would not identify these simply because they said General Mortgage Company at the top of the sheet. Some of the names there indicated the names of the tenants that we had. What I mean to say is that I looked at all these sheets and they looked like they came out of our office. I don't know anything about whether these entries are correct or not, except that I hope they are. In other words, these went through our office in the regular routine. These are not original records at all; they are copies. This is a copy of the monthly rental statements

that was sent to Mr. Johnson, and as far as I know, accurately reflects what took place on these sheets of paper. I do not know that I have a personal knowledge of all these different transactions; it is cutting it pretty fine.

C. and A. Kosinski had a cafeteria. It occupied the first floor space at the north end of the building facing Dearborn Street. Mr. and Mrs. Kosinski were the interested persons. The name was C. and A. Kosinski and they ran a cafeteria. They got behind in their rent; this record shows \$4810.00. They were behind \$4810.00 in April, 1935; I didn't collect all that. I talked to Mr. Johnson about it. He said, if you can't collect it, forget about it—about the same thing that he said about Mr. Kelly.

Somebody else got behind in their rent up there; there were quite a few—an epidemic there was for a while. Mr. Johnson said, do the best you can.

44 The Lincoln Park Chapter got behind in their rent; that is the Masonic Lodge. In September, 1934, they were behind \$2700.00. We had a lot of trouble with them, since 1931, I think. By that I mean, they got broke and couldn't pay their bills. I didn't collect that \$2750.00 in September, 1934. I don't remember if I settled it; I will have to refer further to the records. I do not think I collected it. We may have settled it for a nominal amount, maybe one hundred dollars.

I talked to Mr. Johnson about that. He told me to forget about this Mason Lodge that wasn't paying its rent. He didn't tell me to sue them. From the report I gave him about Kosinski, there wasn't anything else to do but to forget about it; that is what he said. He said there wasn't anything else to do about it except to forget about it; the same thing he did with Mr. Kelly.

45 C. & A. Cafeteria, Inc., are not the same people as C. & A. Kosinsky on previous accounts. C. & A. Cafeteria, Inc. were in arrears \$1066.00. C. & A. Kosinsky occupied the first floor, North end of the building, Dearborn Street frontage. C. & A. Cafeteria occupied the same space. The C. & A. Cafeteria, Inc., was a successor in occupancy of the C. & A. Kosinsky space. By April, 1938, C. & A. Cafeteria, Inc., was \$2760.10 in arrears. They never did pay that. I did talk to Mr. Johnson about it. We discussed the possibility of effecting collection and he asked for my recommendation and I was of the opinion that he could not collect it. We did not file any suit. We decided it was not worth while.

On Exhibit 16, in August, we find the account of Mr. Silverman. He runs a cleaning and dyeing shop and occupied store #16 on Division Street side. In August, 1934, he was \$1121.57 in arrears. The next month the same tenant does not show any arrears. He did not pay the arrears. It was waived. I talked with Mr. Johnson about waiving this indebtedness and he agreed to that proposition. Mr. Silverman continued to occupy the space and continued to pay his current rent. The yellow carbon sheet following there is a carbon copy of a letter I wrote to Mr. Johnson, dated October 2, 1934. I mentioned the Silverman account in there. I told him that the account was in arrears and that I could not collect it. I told him "While it is not our intention to lose sight of this indebtedness we think it is useless to keep showing the account in arrears inasmuch as these tenants are making regular monthly payments as agreed". I told him while I was not going to forget these accounts yet I didn't think I could collect them, and I ought to write them off as a dead account.

46 In that same letter I mentioned a Mr. Brizac. He was \$600.00 in arrears at that time. The August statement shows no arrears. I think the \$600.00 account was written off at the end of August. In the letter I said there is no use carrying those accounts, that I can not collect them. Mr. Brizac continued to occupy space. His business was a French Food Shop.

Exhibit 18 was for the year 1937, which is three years later. Turning to April, it shows his new arrears are \$500.00. In other words, after writing off \$600.00, he got into Mr. Johnson another \$500.00. I do not recall collecting this.

Turning to the first page, January, of Exhibit 20, we find Mrs. Rose's Restaurant there. She occupied the cafeteria space, the first floor, Dearborn Street frontage. In other words, Mrs. Rose had moved into the place where the C. & A. Cafeteria had moved out, and by January, 1939, she had \$2,594.72 in accumulated arrearages. She did not pay. She finally moved out, too. I think she went bankrupt. I did talk to Mr. Johnson about trying to collect that account.

Looking at Exhibit 25, which is for January, 1938, I there find the account of one Walsh. He occupied an apartment at 1358 Thorndale. That is getting out to the other property now. By January, 1938, he had an accumulated

arrearage of \$355.00. Turning to September, 1938, it shows that he vacated, owing \$320.00. I do not remember if we collected it. I think we did talk to Mr. Johnson about those little accounts. I do not remember what he said about them. Mr. Johnson did not pay any attention to the details as to the renting of the apartments. That is what he hired us for. We sent him statements every month. He did not examine our books. He did not come around and talk to us about each one of these tenants when he would get one of these statements. He only talked to me about these matters when I had a large problem, and I submitted that to him for his consideration. My relations with Mr. Johnson in the matter of managing his property were very much the
47 same routine relations I had with other owners whose properties I managed. When I could not collect the rent, I wrote it off.

Mr. Miller: If your Honor please, the Government would like to offer in evidence GOVERNMENT'S EXHIBITS E-9, 15, 16, 17, 18, 19, 20, 22, 23, 24, 25 and 26.

Mr. Thompson: We object to receiving in evidence Government's Exhibits 15, 16, 17, 18, 19 and 20 for identification, which are those voluminous monthly rental reports, on the ground that proper foundation has not been laid for the receipt of the documents, on the ground that the documents contain on many pages matters which have no reference to any of the issues made by the indictment in this case.

If the object is to show the net income from these properties paid to Mr. Johnson for the various years, it is a simple matter of computation without all this irrelevant and immaterial detail in here. The documents, we submit, are confusing and will lend no information as such.

Our point, principally, is the one first made, no foundation has been laid to show that these are original records at all.

Mr. Callaghan: While your Honor is considering those documents, I would like to make the additional objection, so far as the other defendants are concerned, that they are not bound by the entries in those documents, no connection to show that there is any association with these defendants with anything contained in those documents.

Referring to these papers, marked respectively Government's Exhibits E-15-A, for identification; E-16, E-17, E-18, E-19, and E-20, each for identification, are copies of the monthly statements furnished to the owner of the building, showing receipts and disbursements. They were usually made at the end of each month. The bookkeeper made up the monthly records, an original and a duplicate. That is all. We sent the original to the owner and filed the duplicate in our files. We always do that at all times. We made up reports once a month to send to our customers. We sent the original to the customer and filed the copy in our office. We do that so in case we have to refer to them regarding some disbursements or receipts, we would have a record of what we send to our customers. That is what these papers are. These are papers which we copied in our office.

Mr. Thompson: We would like to know whether this witness did the mailing or what he knew about it.

The Court: That does not make a particle of difference. I think I have asked him everything the statute says is necessary to make them admissible.

Mr. Thompson: Well, it is your Honor that is ruling. I have made my objection.

The Court: I will be glad to have you call my attention to anything the statute specifies which I have omitted.

Thereupon the objection to the admission in evidence of Government's Exhibits E-15-A, E-16, E-17, E-18, E-19 and E-20 was overruled.

49 Mr. Thompson: As to documents identified as Government's Exhibits E-22 to E-26, inclusive, which are income and disbursement sheets with respect to this property at Thorndale and Glenwood, we object. No proper foundation has been laid for the receipt of such documents. The documents are not the best evidence of the transactions alleged to be reported therein, and the documents contain pages and pages of matter which has no relation to any issue made by the indictment in this case. The papers contain matter that is immaterial, matter which you are admitting. It is confusing.

The Court: Q. Now, Mr. Witness, if I asked you with respect to all of these exhibits, E-22, 23, 24, 25, and 26, for identification, the same questions which I asked you with

respect to those exhibits I asked you about a few moments ago, would you make the same answers?

The Witness: A. Yes, sir.

Thereupon the objections were overruled and the exhibits received in evidence.

50 Cross-Examination by Mr. Thompson (Continued).

Referring to Government's Exhibit 9, the sheet marked 1, 2 and 3, is the ledger account of the syndicate which owned this property prior to its purchase by Mr. Johnson. This is the ledger account showing the distribution of the second mortgage that was made. This shows what the General Mortgage Company did with the \$45,000 of the mortgage proceeds of the loan. It is a ledger account, entitled "Tavelin-Robin, et al.". That is the name of the borrower. Robin and Tavelin were operating on behalf of this syndicate, and that shows distribution of this \$45,000 loan, of which I think Mr. Johnson had \$15,000. This next group of sheets, marked "Sheet Number 9" is marked "Purchase account", headed by the same names. It shows purchase of these notes by several people. The next sheet, which is marked "Number 415", headed, "Real Estate Loan Register", which consists of four pages, three of which have some writing on them, shows the numbers of the individual notes, the amounts, the date when some payments were made, legal description of the land, regarding the documents on the trust deed. That all relates to the Dearborn and Division street property. The sheet shows a lot of other things, too. Julius Anixter, whose name appears on several sheets, was the owner of several of the notes. The matter at the top, about North River and Boston, is the name of the insurance companies in which the insurance is carried. None of the writing on these pages is mine. The clerks in charge at the time wrote it on there. I know some of the clerks who wrote it. Different clerks wrote on these sheets. They are ledger sheets. I do not know if they were transferred from the books of original entry. I don't think this is the original records, but the other records there are supporting records, at least a supporting memoranda, from which that ledger sheet was made. I do not know what all of those were.

51 It has been several weeks since I saw these documents exhibited to me here in Court. They were taken from my office about two or three weeks ago. They were

first taken four or five months ago. The first time they were returned to my office immediately. I was in the District Attorney's office, and they sent one of the men over to our office to get the records, and he came back with them, and when I left, they sent records back with our bookkeeper. Mr. Clifford and another gentleman were in the office and looked them over. They examined them. This may have been a month ago, and later they were called for. They may have been here ever since.

Examination by the Court.

The first three sheets of Government's Exhibit E-9, shows the disbursement of the proceeds of the second mortgage that was made on the property. The third sheet, "Number 1", is different from the first two sheets. I think that is more of a memorandum account, showing the purchase of individual notes. These three sheets I think are from the ledger in our office, the General Mortgage Investments. The last two sheets are from the real estate loan register that is kept in our office. Every mortgage loan we made we have a loan register sheet, which indicates the amount of the loan, the date, the recording numbers of the document and insurance policies, and the persons to whom notes were sold. In this case, Exhibit 9, there are twenty-one notes. There were six \$5,000 notes and fifteen \$1,000 notes, making twenty-one notes altogether. We make out such sheets on respective loans handled in our office. The entries are made at the time the loan is set up on our books. These entries reflect the transaction as it actually occurred, and these two sheets headed, "Real Estate Loan Register" are made in pursuance of that practice in our office. The person that prepares the mortgage documents for signature also makes up the office records, so that when the mortgage is signed and the file goes to the accounting department, the accounting department knows the nature of the
52 transaction. When insurance policies come in they are noted on the register. The ledger sheets reflect the proceeds of the mortgage loan. It shows what we did with the money. The entries are made about the time that the checks are issued, about the time the transaction is shown by the entries. The entries are correct. That is the practice in our office. In respect of all transactions of that kind that come in to our office, these three sheets were made in pursuance of that practice in our office.

Thereupon the Court admitted in evidence the GOVERNMENT'S EXHIBIT E-9.

Redirect Examination by Mr. Miller.

The store occupied by Mrs. Rhode's Restaurant and the C. & A. Cafeteria takes in 1209 or 1211 Dearborn, and I think probably takes in 13 also. Government's Exhibit E-20 would show street number at which Mrs. Rhode's Restaurant was located. It show 1207-9. That is the store at the North end of the building facing Dearborn Street. It is approximately 50 by 120. It was not the cigar store that I talked about earlier.

Referring to Government's Exhibit E-20 in April, 1939, three lines from the bottom of this page it says "Store", in the second column. The numbers are 1207 and 1209. That record indicates who at that time occupied that store. It says "W. Kelly", "Included in lodge hall rent". Referring to the same Exhibit, E-20, in January of 1939, three lines from the bottom of the page you have "Store", "1207-1209". It says "Mrs Rhodes" "Restaurant".

Q. Would you say from that record, then, that Mr. Kelly at one time occupied the same premises that Mrs. Rhode's restaurant and the C. & A. Cafeteria occupied?

A. I know they never did.

I recognize the property pictured on Government's Exhibit O-2—that is the north end of the building at 53 Dearborn and Division street. It reveals the first, second and third floors facing Dearborn street. Referring to Exhibit O-2 and the floor level even with the street, there is a door that is 1207. That is the same restaurant premises occupied formerly by Mrs. Rhode's Restaurant. The defendant Kelly never did occupy the premises known as 1201 and 1209 in that building. That is the first floor. I do know how I designated the second floor premises on our records occupied by the defendant Kelly. We referred to it as the lodge hall space. I am not certain whether we did or did not ever allow the C. & A. cafeteria, C. & A. Kosinsky, Lincoln Park Chapter, Silverman and Brizac to use another portion of the premises other than the one that they originally leased. I do not think they ever did. Silverman may have, while the store was being remodeled. If I remember definitely now, as we are talking about it, Silverman had the space on Dearborn street when the store he was leasing was being remodeled. I allowed him to use another space during that time. That is the only occasion that I remember right now.

Government's O-3 for identification, is a one story brick building, garage doors on the side, and a sign indicating the Harlem Stables. I think I recognize that as the place I described for counsel for the defense as being the Harlem Stables. I was there at night and I am not sure that this is the building. Government's Exhibit O-4 looks like the place. It looks like the Harlem Stables that I testified that I visited. I never did visit any other gambling establishment, to my knowledge. I did visit the Horse Shoe—may be six months or a year ago. Two or three times in the period, three or four years. I have seen the defendant, Johnson, at the Horse Shoe. I do not think I was ever at the Lincoln Tavern. When I wanted to talk to defendant Johnson I called him on the telephone at home. I do not recall anything urgent that required any other call. I am not certain if I did or not call the defendant Johnson at the Horse Shoe Restaurant. I don't think I ever called him
54 at the D. & D. I do not remember if I ever called any of those places and left any message for him. When I saw the defendant Johnson at the Horse Shoe he was standing around and talking to people.

BENJAMIN G. KILPATRICK, being duly sworn, testified as follows:

Direct Examination by Mr. Hurley.

I live at 6151 Winthrop Avenue. I am associated with the American National Bank & Trust Company as Assistant Vice President, a little more than nine years. My signature appears on Government's Exhibit E-7 for identification. That document was executed on or about the date it bears, February 14, 1934. To the best of my recollection the other signatures appearing thereon were placed there in my presence. The dates and the first paragraph of the document is in my handwriting. Trust Number 2691 is now being executed by the bank in which I am employed. The title is held by the bank for the benefit of William R. Johnson. Government's Exhibit E-7, for identification, is part of the file of the American National Bank & Trust Company, and was produced here by the request of the Government.

Cross-Examination by Mr. Thompson.

This trust was opened January 2, 1934. I believe there was no previous trust which this bank succeeded. I was with the Foreman National Bank prior to going with this bank. This covered the property at the Northeast corner of Dearborn and Division street. I have no recollection whether or not, prior to 1934, a syndicate owned this property which had a trust agreement arrangement with the old Foreman National Bank. All I know is that there is such a trust. This is an assignment of a beneficial interest by Mr. Tavelin and Mr. Johnson. It is a 45/120th 55 interest and also an assignment by John E. Johnson of 75/120ths.

Redirect Examination by Mr. Hurley.

I believe you did ask me whether or not this document was executed in my presence. These signatures appearing thereon, Mr. Tavelin and William R. Johnson, were placed thereon in my presence. My recollection is that they were both present.

Thereupon GOVERNMENT'S EXHIBIT E-7 was received in evidence.

ROY WOLTZ, being duly sworn, testified as follows:

Direct Examination by Mr. Hurley.

I live at 203 Fifth Street, Wilmette. I am the manager of the mortgage loan department of the First Management Corporation, located at 135 South LaSalle. I have been connected with the First Management Corporation since its inception. I know William R. Johnson. I see him here in the courtroom (indicating the defendant). I saw William R. Johnson on or about December 27, 1934, in our office at 10 South LaSalle Street, Chicago. I had a talk with him at that time. He stated that he had a mortgage on some property at Dearborn and Division, and wanted to know if we would extend that mortgage for a year in its present amount. As I recall, the amount was \$140,000. He wanted to extend it for a year.

Thereupon the Court ruled on objection that this con-

versation would be received against the defendant Johnson only.

The Witness continues: I said I couldn't extend it in that amount. He wanted \$125,000. He then said, "If I pay \$75,000, would you extend the balance for a year", and I said, "Yes." The \$75,000 was paid by the defendant

56 William R. Johnson about the first week of April, 1935. It was in the form of a cashier's check on the Northern Trust Company. The balance of \$50,000.00 was paid about a year later. As far as I know, it was paid by the defendant, William R. Johnson. I did not receive it, but I know the mortgage has been paid.

Cross-Examination by Mr. Thompson.

This mortgage was on the property up there at Dearborn and Division Street.

R. H. KRAMMES, being duly sworn, testified as follows:

Direct Examination by Mr. Hurley.

I live at 1332 East Marquette Road, Chicago. I am vice-president of the First Management Corporation, located at 135 South LaSalle Street. I have been associated with the First Management about eight or nine years. Government's Exhibit E-12 is our record of a mortgage loan made on property at the northeast corner of Dearborn and Division Streets, Chicago. The entries appearing thereon were placed under my supervision and direction, and they were made on or about the date the entries bear, in the regular course of business, and those entries are true and correct.

Mr. Hurley: I now offer GOVERNMENT'S EXHIBIT E-12 for identification in evidence.

Mr. Thompson: I object to the document as immaterial, no identification with any defendant in this case. The defendants are not bound by the entries there.

The Court: Overruled.

HELEN NORTON, testified further as follows:

Direct Examination by Mr. Hurley.

I am the same Helen Norton who testified in this case
57 a day or so ago. At that time I stated I was the chief
in charge of the assessment lists in the office of the
Collector of Internal Revenue in the City of Chicago.
Government's Exhibit R-14, for identification, was filed in
the office of the Collector of Internal Revenue of the City of
Chicago. The stamp appearing in the upper right-hand
corner indicates the receiving date of the return in the
Collector's Office March 13, 1935. The other stamp in the
upper right hand corner is March 13, 1935, and indicates the
date payment was deposited in the bank by the Collector.
The serial number appearing on the Exhibit is 624412.
The blue figure in the upper right hand corner is the pay-
ment, represents the payment made with the tax return.
That is placed there by the Collector's Office and also the
red circle indicating the tax to be assessed. The red check
marks are placed there in the Collector's office. The
stamp has been placed there by the Collector's Office.
Government's Exhibit R-15, for identification, was filed in
the office of the Collector of Internal Revenue of Chicago.
That is the individual tax return for William P. Kelly for
the calendar year 1935. Government's Exhibit R-16, for
identification, an income tax return, was filed in the office of
the Collector of Internal Revenue of Chicago for the cal-
endar year 1936. Government's Exhibit R-17, for identi-
fication, an individual income tax return, was filed in the
office of the Collector of Internal Revenue in Chicago for
the calendar year 1937. Government's Exhibit, R-18, for
identification, an individual income tax return for the cal-
endar year 1938, was filed in the office of the Collector of
Internal Revenue in Chicago. Government's Exhibit, R-19,
for identification, an individual income tax return for the
calendar year 1939, was filed in the office of the Collector of
Internal Revenue of Chicago. Government Exhibit
58 R-35, an individual income tax return for the calendar
year 1932, was filed in the office of the Collector of In-
ternal Revenue of Chicago on or about July 15, 1933. Gov-
ernment's Exhibit, R-36 for identification, an individual in-
come tax return for the year 1933, was filed in the office of
the Collector of Internal Revenue of Chicago on March 8,

1934. Government's Exhibit R-37, for identification, an individual income tax return for the calendar year 1934, was filed in the office of the Collector of Internal Revenue in Chicago on March 13, 1935. Government's Exhibit, R-38, for identification, an individual income tax return, was filed in the office of the Collector of Internal Revenue on March 16, 1936. Government's Exhibit, R-39, an individual income tax return for the calendar year 1936, was filed in the office of the Collector of Internal Revenue for the City of Chicago, on March 6, 1937. Government's Exhibit R-40, for identification, an individual income tax return for the calendar year 1937, was filed in the office of the Collector of Internal Revenue for the City of Chicago March 14, 1938. Government's Exhibit R-41, for identification, an individual income tax return for the calendar year 1938, was filed in the office of the Collector of Internal Revenue in Chicago on March 15, 1939. Government's Exhibit, R-42, for identification, an individual income tax return for the calendar year 1939, was filed in the office of the Collector of Internal Revenue in Chicago, March 15, 1940. Government's Exhibit R-58, for identification, an income tax return, was filed in the office of the Collector of Internal Revenue on March 8, 1934. Government's Exhibit, R-59, for identification, an individual income tax return for the calendar year 1934, was filed in the office of the Collector of Internal Revenue of Chicago on March 15, 1935. Government's Exhibit R-60, for identification, an individual income tax return for the calendar year 1935, was filed in the office of the Collector of Internal Revenue on March 16, 1936. An individual income tax return for the year 1936 marked 59 Government's Exhibit R-61, was filed in the office of the Collector of Internal Revenue of Chicago on March 13, 1937.

Government's Exhibit R-62, for identification, an individual income tax return for the calendar year 1937, was filed in the office of the Collector of Internal Revenue on March 14, 1938. Government's Exhibit R-63 for identification, an income tax return for the calendar year 1938, was filed in the office of Collector of Internal Revenue of Chicago on March 14, 1939. Government's Exhibit R-64 for identification, an income tax return for the year 1939, was filed in the office of the Collector of Internal Revenue on March 15, 1940.

Thereupon it was stipulated and agreed that this witness would testify that these various returns, identified by Gov-

ernment exhibit numbers which they all bear, are income tax returns filed in the office of the Collector of Internal Revenue in Chicago, and that the marks that she has heretofore testified to as to serial number and the blue number in the upper right hand corner, the stamp showing the date the payment was deposited by the Collector's Office, the date it was received, and the other red marks appearing thereon, and the "Computation Approved" were placed thereon in the office of the Collector, and that she would also testify that they were received for file there on or about the date received.

The Exhibits for identification are as follows: R-81, R-82, R-83, R-84, R-85, being the returns of the defendant, E. H. Wait, starting with the calendar year 1935. Government's Exhibits for identification, number R-44, R-45, R-46, R-47, R-48, R-49, being the returns of Flanagan for the years 1932 to 1939, inclusive.

Government Exhibit R-50 for identification, R-51, R-52, R-53, R-54, R-55, R-56 and R-57, being the returns of Hartigan for the years 1931 to '39 inclusive. For the 60 calendar year 1934 there are Government Exhibit R-24 for identification, R-25, R-26, R-27 and R-28, R-28 being for the calendar year 1938.

Thereupon Mr. Hurley read to the jury the Government's Exhibit R-6, being the individual income tax return of William R. Johnson for the calendar year 1932, and R-7, the individual income tax return for the year 1933.

HARRY GRUSHKIN, being duly sworn, testified as follows:

Direct Examination by Mr. Hurley.

I live at 6414 North Albany, Chicago. My business is air conditioning. At one time I was connected with the Air Comfort Corporation. Their place of business is in the City of Chicago. I was employed as sales engineer from about approximately 1936 to 1938. During the time of my employment I had occasion to go to a building at the corner of Dearborn and Division Street in the City of Chicago. I saw Mr. William P. Kelly when I went there, about the month of May, 1936. I saw Mr. Kelly on the second floor of the building, in the D & D Club. I had a conversation with him at that time. I see him in the courtroom (indi-

eating the defendant William P. Kelly). I went up to get permission to measure the premises for installing air conditioning.

Mr. Thompson: We object to any conversation with Mr. Kelly out of the presence of the other defendants.

The Court: It will be admissible against Mr. Kelly. Let it be received; not against the other defendants unless it is connected.

The Witness: I introduced myself and told him I would like to measure the premises for the purpose of presenting an air conditioning proposition, and he gave me per-
61 mission to do so. I asked for permission to make the investigation for survey, and he said it would be O. K. to do so, and that I could go to work. As I recall, we made arrangements to come out the following day and measure the premises, which we did. I talked to Kelly at a later date, after this first occasion. I submitted my proposal to him and went back a number of times. I do not recall who was there when I went back that second time. I did see William R. Johnson at that building several days after this original proposition was prepared and taken in. Mr. Kelly was there, Mr. Johnson, and several others. I had a talk with Johnson at that time. We discussed the purchase of this air conditioning apparatus. I remember telling him the price of the equipment. I remember of telling him first that I thought it would run twenty thousand, and after the proposition was prepared I told him the price was slightly in excess of fifteen thousand. When I told him 20,000 it was at the D. & D. Club. I do not recall anybody, except Mr. Kelly and Mr. Johnson, being present. There was nothing said about Johnson the first time I talked with Kelly. I think Mr. Kelly said later I should come back at a certain hour and Mr. Johnson would be there. When I went back I saw Mr. Johnson there (indicating the defendant Johnson). After I told him the probable cost would be \$20,000 I went back later, and at that time had a concrete proposal for him. I went into a discussion of the company and into the merits of the application. I did not give the proposal to Mr. Johnson—I left it on the premises, but I knew that Mr. Johnson had seen the proposal. I had no further conversation with Johnson at that time. I did have a conversation at a later date with regard to air conditioning at the D. & D. Club. There was a discussion concerning some other rooms. The only thing I recollect Johnson saying is that if it worked out satisfactorily at the D. & D.

apparatus might be installed elsewhere. He just mentioned the other rooms. I subsequently visited a place at Irving and Cicero. I saw an old bank building. I think the address was 4715 Irving Park Boulevard. I visited the rooms at 63d and Cottage Grove—I forget the name of the place. I saw Mr. Creighton out there. I see Mr. Creighton here in the courtroom (indicating the defendant Creighton). I went to 97th and Western after I had this talk with Johnson out at the D. & D. I did not see anyone there—the building was in process of construction. I went to the place at 4000 North Harlem. I think the name was Harlem Stables. I went to the Horse Shoe located at Lawrence and Kedzie. I do not recall who I saw out there.

I went into the room at 63d and Cottage Grove Avenue. It was a hand book. Some gambling apparatus was there. The only thing I recall was chuck-a-luck and roulette. There was nothing at 9730. The Harlem Stables was also a big place and had several pieces of gaming apparatus, roulette and chuck-a-luck, and dice tables. I saw the same apparatus at the Horse Shoe, the same as I described at these other places. I remember seeing Mr. Johnson at the Horse Shoe. The occasion of meeting him there was probably in connection with the sale of air conditioning apparatus. Kelly advised me that if I went out there at a particular hour I would meet Mr. Johnson there. I went out there at that time and met Mr. Johnson and had a talk with him at that time. As I recall, it was midnight, or eleven o'clock, probably in the month of May, 1936. He asked when the installation would be completed at the D. & D., and I told him approximately June 10th. We discussed air conditioning in general for a few minutes—I can't recall what was said.

Q. Anything said about these other places you visited?

Mr. Thompson: We object to counsel continually putting words in the witness' mouth.

The Court: Overruled.

The Witness: Something was said to that effect. Mr. Johnson said that the probabilities are that air conditioning would be installed at other places. There was nothing else said in that conversation that I can remember.

Q. Was there anything said about whose places these were you were putting these air conditioning units in?

Mr. Thompson: We object to leading the witness.

The Court: Objection overruled.

The Witness: There was no question about whose places

they were. That did not come up, as I remember. There was no discussion.

I was out at the Horse Shoe at this time and I had a talk with Mr. Johnson about air conditioning. He said that if the job at the D. & D. worked out satisfactorily air conditioning might be installed in other places. He mentioned Irving Park and Cicero Place—that is the old bank building I spoke of, and the place at 63d and Cottage. I do not recall specifically what other places were mentioned—he just referred to other places in general. The only survey I made after the installation at the D. & D. Club was at the Irving Park Place. I did not talk to Mr. Johnson about that. He suggested that I go out there and I contacted Mr. McKay at the Irving Park address. When I went out there I told Mr. Mackay that I was the man that made the installation at the D. & D. Club and that I wanted to survey this place. Mr. Mackay provided a set of building plans for me, which he permitted me to take out, and I copied the floor layout and returned it. I told Mr. Mackay that Mr. Johnson suggested that I call on him.

I had a meeting with Mr. Johnson at the D. & D. Club one night, late, and he signed the order for me that night. They had a consulting engineer of some sort there that night, who discussed the proposition with me. I do not recall what his name was. I have related to you everything I recall that was said by Johnson and myself in that conversation. I have seen the document marked “Gov-
64 ernment’s Exhibit E-14” for ratification. This is a contract to install air conditioning in the D. & D. Club. That is my signature appearing in the lower right-hand corner of the last page, and W. R. Johnson’s signature in the lower left-hand corner. I saw Mr. Johnson place that signature there. The second floor of the premises at Dearborn and Division were air conditioned, and a connection was made from that apparatus to a fresh air intake attached to the ventilating system in the basement. The air conditioning unit installed at the D. & D. Club is in accordance with specifications in Government’s Exhibit E-14 for identification, at the price specified in those specifications.

Cross-Examination by Mr. Thompson.

My negotiations with respect to installing air conditioning service at the D. & D. Club did not commence about May, 1936. The date of the contract was April, 1937, and that is the time. I wish to correct my testimony to that extent. I was mistaken when I said I talked to Mr. Johnson about this matter in 1936. This contract, April 26, 1937, refreshes my recollection as to the time it was. It is correct that it was in April, 1937, and shortly prior thereto, in March, when I had these several conversations with Mr. Johnson leading up to this contract. The time extended over a long period of time. I was a salesman. I was not confined to any particular area other than the county—wherever I could find business. I was sent to the D. & D. Club. A lead came into the office. I was advised at the office that there might be a prospect up at Division and Dearborn. I followed that lead. When I got up there I found Mr. Kelly. He did not tell me I would have to see Mr. Johnson about installing air conditioning. I spoke to Mr. Kelly at the time and told him who I was, and that I wanted to make a survey of the premises. He gave me permission to do so. I did submit a survey back to

65 Mr. Kelly. Then he told me I would have to see Mr. Johnson about it. The question of ownership of the building did not come up—it was not discussed. Afterwards I got in touch with Mr. Johnson. Negotiations from that time on with respect to the D. & D. Club, were not entirely with Mr. Johnson. I went back once and asked Mr. Kelly about it. Mr. Kelly told me that a consulting engineer had been hired, and that they had a number of propositions, and that mine was among the discards, and I asked for permission to come back and discuss it with Mr. Johnson. He said that could be arranged, and I did go back the following night, or the night after, for that purpose. I came back and talked to Mr. Johnson about it. I finally arrived at this contract. It is fifteen thousand and some odd hundreds, less two per cent discount—that is what it says. The contract was entered into for somewhere around fifteen thousand dollars, round figures, and the equipment was installed.

Q. And when you were talking with Mr. Johnson about this job—when you got this job—I suppose you said to him, “Can you suggest where I can get some other business?”

A. Well, I don't recall how the question of this outside business came up. I do remember that Mr. Johnson said there might be a possibility of getting additional business.

Q. You were not looking for any other business, were you?

A. Sure.

The Witness: Of course I talked to a customer to whom I sold an outfit to see if he can suggest some other place where I can go talk to somebody. I possibly said that to Mr. Johnson sometime during the course of this conversation. Of course I did not remember all of the details of these conversations all of these years. Mr. Johnson said to go out and see Creighton out here at such and such an address. I remember Mr. Johnson called a friend of his and recommended me to him at the time. I don't remember whether he said over the 'phone that I would
66 see him. This is just the usual transaction between the probable owner who wanted to install some air conditioning.

Q. And the usual conversation about him recommending other prospects; isn't that true?

A. The telephone conversation that I refer to, I recall him asking the man—somebody away out in the country, on Skokie,—he asked him if he was going to put in air conditioning out there. I think that place subsequently was burned down. I do not remember the name of the place. I went out there, but this fellow said he did not have any use for air conditioning because he had invented his own system—something connected with pumping water out of wells, so I didn't pursue that any further.

I have related substantially all of the conversation I had. That is the only contract that was made with Mr. Johnson about installing air conditioning, and the only survey that was actually completed at his request.

I went up to Mackay, at Irving Park, and made partial survey. We discussed installing air conditioning and Mr. Mackay furnished some building plans that I took and copied and returned, but no specific proposal was ever made on that particular place. This matter of going to see Mr. Mackay came up while I was there at the D. & D. Club. It was suggested to me in the conversation that I might go see Mackay, and maybe get some business there. I do not recall specifically where the information came up, but I remember its connection with my trip to the D. & D.

I do not recall whether it was Mr. Johnson, Mr. Kelly, or somebody else that said "Why don't you go up and see Mackay, up there at Irving Park"? That has been years ago.

67 Mr. Hurley: Now, I will offer in evidence, if the Court please, GOVERNMENT'S EXHIBIT E-14 for identification.

Mr. Thompson: On the part of Johnson we object to it as immaterial.

Mr. Callaghan: The same objection.

Mr. Hurley: That is all.

The Court: It may be received.

Mr. Hess: As to the other defendants we wish to add to the immateriality that it is not binding, with the possible exception of Kelly. He knew something about it. As to the other defendants I submit it is not binding on them in any way.

The Court: It is admissible.

68 H. E. WHEELER, called as a witness on behalf of the Government, having been first duly sworn, testified as follows:

Direct Examination by Mr. Hurley.

My name is H. E. Wheeler. I live at 1333 East 50th Street, Chicago. I have been President of the Air Comfort Corporation since 1935. Our corporation installed an air conditioning unit in the D. & D. Club, in the building at Dearborn and Division streets, Chicago. The amount specified in relation to that unit was paid about the middle of 1937.

WALTER A. SOMMERS, called as a witness on behalf of the Government, having been first duly sworn, testified as follows:

Direct Examination by Mr. E. Riley Campbell.

My name is Walter A. Sommers. I live at 10 West Elm Street, Chicago. I am a Special Agent, Internal Revenue, and Special Deputy U. S. Marshal. I know the defendant, William R. Johnson. I recall meeting him in March

of 1940. That meeting occurred at 2840 South Kedzie Avenue. I handed Mr. Johnson a subpoena duces tecum to produce records of the Bon Air Catering Company and Bon Air Country Club.

Thereupon, over the objection of the defendants, the witness testified to a conversation had at the time of the delivery of the subpoena.

The Witness: This subpoena duces tecum was a forthwith subpoena. It was about the end of the week. Mr. Johnson said the book and records were all with his accountants. He wanted to know if he couldn't produce them on Monday. He had an engagement with a Doctor or something. It would be a little inconvenient for him. It would take him some time to get in touch with his accountants. I told him that would probably be all right. I had the subpoena with me. Government's

Exhibit E-68, for identification, is the subpoena to which I have been testifying. The carbon copy of the subpoena is attached to the original. The carbon copy was delivered to Mr. Johnson. The pile of books and records there before me are the records of the Bon Air Catering Co., Inc. These books and records were brought into my office from the U. S. Court House by Mr. Shaw of the accounting firm on the Monday following the day the subpoena was served. The subpoena was served on Thursday, March 14, 1940. These records before me are in the same condition as they were when I first saw them.

Cross-Examination by Mr. Thompson.

I have not had them in my personal custody since they came into my possession. I know, from the general appearance, that they are in the same condition. They still look like the same books that were brought in. I never read these books. I have related substantially all the conversation I had with Mr. Johnson when I delivered the subpoena to him. I probably had heard Mr. Johnson was an officer of the corporation named in the subpoena when I served the summons on him. The books in front of me are the books of the corporation.

TRACY R. STANIS, called as a witness on behalf of the Government, having been first duly sworn, was examined and testified as follows:

Direct Examination by Mr. E. Riley Campbell.

My name is Tracy R. Stanis. I live at 8618 Ingleside Avenue, Chicago. I am a special agent in the Intelligence Unit of the Bureau of Internal Revenue, assigned to the Chicago Office. I first saw that pile of books in front of me about the middle of March, 1940. They are the books of the Bon Air Catering Co., Inc. I have had them in 70 my custody and control since the time they were turned over to me, until today, when they were brought up here in the courtroom. They are in the same condition they were when they were turned over to me about the middle of March. Mr. Sommers brought Mr. Shaw of Horwitz & Horwitz, auditors, into my office with those books.

Cross-Examination by Mr. Thompson.

After the books were turned over to me I put them in the vault of Room 881 of this building. There are a couple of us who have access to that vault—I think the stenographer up there knows the combination, myself, and Mr. Campbell probably knows the combination—nobody else that I know of. About the first of July, 1940, we moved them down to the U. S. Attorney's Office, and I moved downstairs to that room and took the books with me at that time. We have had them in the file down there. The U. S. Attorney's Office file, the room that I am using in connection with this case. Nobody but the stenographer and myself and the agents connected with this case and the attorneys have access to that room. There is possibly five or six agents connected with this case that have been working on it from time to time. There are about four attorneys, I believe, connected with the case, and one stenographer. What I mean to say is that the books look like they did when I got them.

J. O. SHAW, called as a witness on behalf of the Government, having been first duly sworn, was examined and testified as follows:

Direct Examination by Mr. E. Riley Campbell.

My name is J. O. Shaw. I am a public accountant. My office is at 310 South Michigan. I live in Elmhurst. I am associated with Horwitz & Horwitz. We specialize in handling the hotel, restaurant and club class of business. I am a graduate of the University of Illinois, of the accounting school, and experience, I have been in this field since 1925. I hold a C. P. A. certificate in Illinois. I have been a C. P. A. since 1930. A Certified Public Accountant is an individual who has passed the state examination, met the other requirements, and is qualified to certify to financial statements of corporations or individuals. I have been with Horwitz and Horwitz since July, 1927. Prior to that I was with another firm here in the city. All told, my bookkeeping and accounting experience has been about fifteen years. Thirteen years of it has been in the hotel and restaurant and club industry. I would say that I cover all fields of accounting so far as it relates to that particular business—hotels and clubs. I know the defendant, William R. Johnson, sitting here by his counsel to my right. I think I met Mr. Johnson originally in 1938 at the Bon Air Country Club. It was on Milwaukee Avenue, one mile North of Wheeling. I know, in general, what that pile of books there before me are. The top book is the general journal. They are the books of record of the Bon Air Country Club, Bon Air Catering Company, Inc. I believe the corporate name is. Originally we devised and installed the accounting system there and made monthly audits during the first year during 1938. In 1939 we had a resident auditor there, one of our own men, who was there during the season, and also during the current year 1940. The audit and control of these books and records have been under us since the system was installed. We made audits of those books from time to time. We did submit reports based on that audit. We submitted monthly reports—I believe they were addressed to Mr. Wait, the President of the Corporation. I know Mr. Wait—I see him in the courtroom (indicating).

That is the gentleman to whom I submitted the audit reports of the Bon Air Catering Co. In the pile of 72 books referred to previously in my testimony, Government's Exhibit E-46, is the general Ledger. E-47 is the general journal. E-48 is the 1938 voucher register and cash receipts and disbursements records. E-49 is the cash receipts, cash disbursements, and the voucher register and earnings journal for 1939. Government's Exhibit E-50, for identification, is the accounts receivable and accounts payable ledger. E-51 is the operating ledger for the year 1938. E-52 is the operating ledger for the year 1939. E-53 is the corporate records, that is, the by-laws, and minutes, stock records. E-46 to E-53, inclusive, is the record of the Bon Air Catering Co., Inc. The first year they were kept under the corporate control, and we just made audits. In 1939 and 1940 they were kept under the supervision of our man. We made audits and submitted reports for the year 1938. We installed that system of books that I have detailed here, E-46 to 53, for identification. The regular course of business of the Bon Air Catering Company was to make entries in those books. Generally speaking, those entries were made at or about the time of the transaction to which they refer. I would surmise that the Bon Air Catering Co. relied upon those entries in the conduct of its business. The food and beverage, and the golf and swimming activities was intended to be covered by these books and records.

There is an account between the Bon Air Catering Co., the corporation, and the defendant, William R. Johnson, in this case. Government's Exhibit, E-46 for identification, contains such an account. That is the general ledger. It shows the cash transactions of the corporation with Mr. Johnson. The signature of Mr. Johnson appears on the first meeting of the stockholders and the corporate record—that is E-53. I identify Mr. Johnson's signature in the minutes of the first meeting of the Board of Directors, 73 and there is a receipt on the stock certificate stubs.

I can identify the signature of E. H. Wait on Exhibit E-53—that is the Minutes of the Board of Directors, and also on the stock certificate stubs. That is the same Mr. Wait that I identified a moment ago in my testimony. From these books and records, based on my examination and audit of them, I am able to state the amount or amounts advanced by the defendant William R. Johnson to the Bon-Air Catering Co. over the period '38, '39 and '40.

Q. You may state the aggregate amount, please.

Mr. Thompson: We object to that because the question covers a period beyond the limits of the indictment. The indictment was returned on March 29, 1940, and, of course, the transactions subsequent to that are certainly not admissible, I should think. Furthermore, the entries on the books do not prove the conclusion which is comprehended in this question, that the amounts credited to Mr. Johnson were advanced by him personally necessarily. The books speak for themselves, but certainly do not carry the conclusion comprehended by this question. Not the best evidence of what moneys Mr. Johnson advanced.

The Court: Will you read the question to me, Mr. Reporter?

(Question read as recorded.)

Mr. Thompson: Now, if the Court please, the books would be binding on the Bon-Air Catering Company, if they were involved, but not binding on the other parties—they are an alleged book account—because they are not the books of Mr. Johnson.

74 The Court: What about this 1940, the date of the indictment? You included the year 1940.

Mr. Campbell: I think, your Honor, it is a continuing account, going over a period of time. The fact that there is some of this that is outside of the year covered by the counts of the indictment makes no difference because count five is a conspiracy count and it is a continuing chain of events. We are certainly entitled to follow that along just as we are able to show events prior to the year of the indictment.

Mr. Thompson: Well, they haven't proved any conspiracy of any kind yet; no foundation has been laid for any such conclusion and we except to the statement of counsel to that effect. And, furthermore, the indictment is for evading income taxes for the years 1936, 1937, 1938 and 1939. It doesn't involve any other period.

The Court: This is not a case to recover income taxes, as counsel has already pointed out.

Mr. Campbell: Now, your Honor, I have an authority here to support this offer if there is any further question about it. With regard to the showing of conspiracy we are entitled to put in proof and records at any time on the question of conspiracy. In the case of *McNeill v. U. S.*, 85 Fed. Sec. 698, which is from the Court of Appeals of

the District of Columbia, we are entitled to put in evidence on a conspiracy charge even though it tends only to elucidate or aid and assist in determining the truth. I submit, however, here is an account between the defendant
75 and the corporation and there is an expert qualified on the stand to state the result of his examination and audit. Furthermore, these books were kept under his control.

Mr. Thompson: If the Court please, I think the rules as to what is admissible in a conspiracy case are simple, but after all, you have to prove a conspiracy.

The Court: With the undertaking of counsel—an undertaking, I assume, is made to prove a conspiracy, introduce evidence tending to prove a conspiracy. I will receive the evidence.

Mr. Thompson: Of course, this is corporation books, you understand.

The Court: I understand.

Mr. Thompson: And the question calls for a conclusion, which is impossible to state, from the books, which is binding on Mr. Johnson.

The Court: He is asked to state what the books show, in effect. You may answer. His conclusion from what the books show.

The Witness: In round figures, around \$334,000. Of that figure \$273,940 was advanced in the year 1938. \$51,000 was advanced in the year 1939, \$9,663 was advanced in the year 1940. I met Mr. Johnson at the Bon Air Country Club in March of 1940. I talked with him about these books and records at that time. Nobody else was present. It was Saturday afternoon, I would say around the middle of March. Mr. Johnson had been
76 served with a subpoena to produce the records of the Bon Air Catering, Inc., in the Federal Building, and he had a list of the records that were to be produced.

I was asked to go out and bring these records in, to identify them and bring them in. Mr. Geary asked me to do that. I did meet Mr. Johnson at the Bon Air Country Club. We went over them and picked out the books that were designated in the subpoena. I went over them with Mr. Johnson and these are Government's Exhibits, E-46 to 52, inclusive, for identification. I believe they were in the safe there at the club on the occasion Mr. Johnson produced them. Mr. Johnson gained access to the safe.

Following that I took them home with me and then brought them down here Monday morning to Room 280 of this building. I exhibited those books and records to Mr. Sommers. I saw him and then we went up to your office and delivered them to you on the eighth floor. I do not remember who else was present. There were two other men there. I don't remember their names.

I do have with me the copies of the auditor's reports which cover the audits that I made of these records, Government's Exhibits E-46 to E-53 for identification. I have those copies. The same stroke of the typewriter which produced the original produced these copies which I have before me. The originals were sent to the Bon Air Catering, Inc. They were addressed to Mr. Wait, the president. Government's Exhibit E-54 is a copy of one of the audit reports. Government's Exhibit, E-57, is another copy of such report. Government's Exhibit, E-58, for identification, E-59, E-60, E-61, E-62, E-63, E-64, E-65, are copies of the audit reports. Government Exhibits, E-55, E-56 and E-66, are our working papers in connection with the audits of the Bon Air Catering Co., covering the results of the audits on examination of Government's

Exhibits E-46 to 53, for identification. The working
77 papers substantiate the results of the audits shown in these reports. In a general way these audit reports purport to show the financial position of the corporation, at the date of the balance sheet at the end of the month that the report is for, and they also show the results of operations for that period. They show that the corporation was indebted to Mr. Johnson.

Mr. Campbell: Then I offer in evidence at this time, your Honor, Government Exhibits E-46 for identification, the general ledger, E-47 for identification, the journal and E-48 for identification, the cash receipts and disbursements and the voucher record for 1938 and E-49, the cash receipts and disbursements and voucher record for 1939; E-50, the accounts receivable and payable ledger for 1938, E-51, the operating ledger for the year 1938; E-52, the operating ledger for the year 1939 and E-53, the corporation record of the Bon-Air Country Club.

Mr. Callaghan: I object, if your Honor please. There is no sufficient foundation laid for this in this record. A further objection is that so far as the defendants I repre-

sent are concerned, they are not bound by the entries in the books of the Bon-Air Catering Corporation.

The Court: Well, they may be received. At the proper time, if you gentlemen think there has been any evidence received which is not admissible and which should not be considered against your clients, if you will submit to me a draft of instructions to that effect and I concur in your contentions, I will give those instructions.

Mr. Campbell: Now, I make the same offer with respect to the exhibits for identification previously read covering the audit reports and covering the working papers relating to the same subject matter.

Mr. Callaghan: The same objection.

78 The Court: Overruled. They may be received.

(Whereupon GOVERNMENT'S EXHIBITS E-46 to E-53, inclusive, and E-55, E-56 and E-66, were received in evidence.)

Mr. Thompson: Of course, as to all of these exhibits that have been offered, I want to make the objection that they are immaterial to any issue presented by the indictment in this case and that they are not covered by the bill of particulars which was furnished pursuant to defendants' request.

Mr. Campbell: They are covered by the bill of particulars, your Honor.

The Court: Overruled.

No cross-examination.

NELSON J. GOODSSELL, being duly sworn, testified as follows:

Direct Examination by Mr. E. Riley Campbell.

I have lived in Chicago for the past fifteen years. I have been a certified public accountant for about fifteen years, under the states of Illinois and Michigan. I have met the defendant, William R. Johnson, at the Bon Air Country Club on one occasion—the first part of September or October of 1939. Mr. Clarence Black and Mr. Bud Geary were present. Mr. Black is a public accountant and Mr. Bud Geary worked for Mr. Johnson. I met Mr. Geary a few days before that. On that occasion I had a conversation with Mr. Johnson. It was related to ac-

counting matters in connection with the Bon Air Catering, Inc. I see before me books and records which were the subject matter of that conversation at that time. I had occasion to examine all of these books during the 79 course of an audit, Government's Exhibits E-46 to 53, inclusive, already admitted. I talked to Mr. Johnson—something about these books on the occasion to which I have referred. There was some question whether certain assets reflected on those books should be on those books. That was discussed with Mr. Johnson. I also, at that time, discussed with him the matter of obtaining access to the corporate records, the minutes, stock records and lease between the Catering Company and Mr. Johnson. We discussed the matter of entries on those books. In 1938, the year prior to the year of my examination, certain assets had been placed on the books of the Catering Co. At the time that I started examination in 1939 the question was raised as to whether those certain assets should be on the books of the Catering Co. Mr. Johnson instructed me in 1939, when I saw him, to take them off. In regard to the minutes, stock records, and the lease, he said that he would see that I obtained access to them, which I did. Certain construction and equipment items in 1938 that had been purchased were placed on the books of the Catering Co. as assets. They were purchased by funds that were provided by credits, four accounts. Those four accounts were credits to the accounts of Mr. Johnson, Mr. Wait, Mr. Geary and a small amount to Mr. Roy Love. I was instructed at that time that these advances for these construction and equipment items had been, in reality, advanced by Mr. Johnson, and should have been credited to him, rather than scattered around among the four of them. Also that the original construction and equipment for 1938 which, as you understand, was prior to the year of my examination, should never have been on the books of the Catering Co., that they were assets, I presume, of Mr. Johnson, and for that reason, on his instructions, I took these asset accounts off the books, reduced the credit to these four men, and merged the balance of whatever credit was left, which was a small one, into the account of Mr. Johnson. I 80 did all that pursuant to the instructions of Mr. Johnson. I see that gentleman sitting in the courtroom now. I think I do (indicating the defendant Johnson).

I recall having seen Mr. Wait at the Bon Air in connection with this matter (indicating the defendant Wait). Mr. Wait's account is one of the accounts which I handled in the manner I have described. I made entries in these books with respect to stock ownership in this corporation. I refer to Government's Exhibit E-47, page 68. I made the entries appearing on page 68. This entry is a stock entry for \$10,000, covering 100 shares of the corporate stock, of which 54 shares were in the name of W. R. Johnson, 25 shares in the name of E. H. Wait, 20 in the name of Mr. J. Hartigan and one in the name of F. Deshinger, and that was in agreement with the stock records. That is the only entry that I know of on those books, anywhere, pertaining to the distribution of the stock ownership of this corporation.

No cross-examination.

Mr. Campbell: Your Honor, I believe I will offer in evidence at this time Government's Exhibit E-68 for identification, the same being the original of the copy of the subpoena testified to by Special Deputy Marshal Sommers and I would like leave to withdraw the original and insert a photostatic copy if there is no objection, at the proper time.

Mr. Thompson: We object to it as altogether immaterial, it does not prove anything. We are not bound by what the United States Attorney wrote on a piece of paper.

The Court: Objection overruled. You may have leave to substitute the photostatic copy.

(Thereupon GOVERNMENT'S EXHIBIT E-68 was received in evidence.)

WILLIAM GOLDSTEIN, called as a witness on behalf of the Government, having been first duly sworn, was examined and testified as follows:

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Direct Examination by Mr. Hurley.

My name is William Goldstein. I live at 415 Aldine Avenue, Chicago. I am a practicing lawyer in the City of Chicago. I have been licensed to practice law in the state of Illinois twenty-five years. I did have certain dealings concerning the purchase of property at 9730 South Western Avenue in the city of Chicago—I think it was in 1937. The property was six or seven vacant lots.

Government's Exhibit E-27 is an escrow agreement for the purchase of lots 32 and 33 in the subdivision at 97th and Western. There were \$3,465 deposited in connection with that escrow in the Chicago Title & Trust Co. by myself, on April 26, 1937. I got that money from William R. Johnson in the form of currency. I paid that money over to the Chicago Title & Trust Co. for the purchase of lots 32 and 33 in Frederick H. Bartlett's Beverly Highland Subdivision. I purchased the property at the request of William R. Johnson. The title for that property was taken in the name of Isador Goldstein, my law partner. There was a deed executed from Isador Goldstein to Ann Homan, my stenographer, and a quit claim from Ann Homan, including the other lots, to William R. Johnson. I delivered the quit claim deed to Mr. Johnson. Government's Exhibit E-28, for identification, is an escrow agreement made between myself, the seller, and Chicago Title & Trust Company. The seller was Tim Quail, represented by Kilgallon. There was \$3150.00 deposited on that escrow. The property was lots 34 and 35 in Frederick H. Bartlett's Beverly Highland Subdivision, 97th and Western. I deposited the money myself, and received it in the form of currency from William R. Johnson. I made the purchase at the request of Mr. Johnson. Government's Exhibit, E-29, for identification, is an escrow agreement I entered into with Mr. Richard J.

Edgeworth on April 26, 1937, to lot 31 in the same 82 subdivision. There was \$2500 deposited with the Title & Trust Company in the form of currency received from Mr. Johnson. I made the purchase at the request of Mr. Johnson. The title was taken to that property in the name of Isador Goldstein, my law partner. A quit claim deed was delivered to William R. Johnson by myself.

I handled the escrow contained in Government's Exhibit E-30. It is concerning the purchase of Lots 38 and 29 in the Frederick H. Bartlett's Beverly Highland Subdivision. The seller is Mr. Tim Quail and Mr. Kilgallon. \$4,000, in the form of currency, was deposited in connection with this escrow by me with the Chicago Title & Trust Co. I got the money from Mr. Johnson. I purchased the property at the request of Mr. Johnson. Title was taken by Miss Ann Homan, my secretary. Subsequently a quit claim deed was made to William R. Johnson, which was delivered to him by myself.

I did have something to do with the purchase of the property known as the Albany Park Bank Building, at

3424 Lawrence Avenue. I went out to the Albany Park Building and interviewed a gentleman by the name of Mr. Larson, who was the chief clerk for Mr. Carter H. Harrison, Junior, who is the receiver for a number of banks closing out. They had an office out at that address. I had a conference with him in connection with the purchase of that building. After making a number of calls and negotiations I submitted an offer. I was requested by Mr. Johnson to go out there and purchase the building for him. The offer was submitted to the Treasury Department at Washington for approval, and after it was approved I believe I made a deposit with Mr. Larson of five thousand dollars at the time. I received the money from Mr. Johnson, in the form of currency. There was a notice, I think, published in the newspaper that the building would be sold to the highest bidder at a certain date, at which time I appeared and bid, I think, around sixty thousand, fifty-nine thousand and some-odd dollars 83 for it. I purchased that property at the request of Mr. Johnson. The exact amount of money expended for the purchase of that property I think was around \$59,800. After looking at the closing statement I can state that the amount expended for the purchase of that property was \$59,887.05. I got that from Mr. Johnson in the form of currency. Title to that property was taken in the name of Ted W. Goldstein, my son. Subsequently there was a quit claim deed delivered to Mr. William R. Johnson by my son. This Albany Park Building property was purchased July 16, 1937.

I did have a part in the purchase of property known as the Bon Air Country Club. I acted at the request of Mr. Johnson. I think it was the latter part of 1937. I handled the negotiations for the purchase of it and after arriving at a price went out there, I think, on one or two occasions, at Mr. Johnson's request. I went out there and looked the premises over to see what it was like, and then I got in touch with Mr. Blumstein, who is the attorney for the Evanston Bank, in Mr. Poppenheusen's office, and Mr. Becker, who represented the bank, came down. We talked. It took about three or four months until we arrived at the price. The bank were the receivers. The price arrived at was \$75,000. I think the initial deposit of \$7500.00 was deposited with Mr. Becker at the Evanston Bank and Mr. Blumstein, the attorney. I received the money from Mr. Johnson in the form of currency. The deposit was made

in the office of Mr. Blumstein. The balance of \$67,500 was paid over to Mr. Becker and Mr. Blumstein at their law offices, in the form of currency that I received from Mr. Johnson. Title to that property was taken in the name of Mr. Ted W. Goldstein. A quit claim deed was subsequently delivered to William R. Johnson by myself. I think approximately 180 acres were involved in that transaction.

I had something to do with the acquisition of other property out in the neighborhood of this Bon Air Country Club. Government's Exhibit E-32, for identification, is an escrow that was executed by me. Seller was Mr. James A. Flynn. There was \$8,000 in currency, received from Mr. Johnson, deposited on that escrow by myself. The property was purchased at the request of Mr. Johnson, and the title to that property was taken in the name of Ted W. Goldstein. Subsequently a quit claim deed to Mr. William R. Johnson was delivered to him by myself. Lot 15 in the Columbia Gardens Subdivision was involved in that purchase. The transaction took place on May 16, 1938.

Government's Exhibit E-33, for identification, contains an escrow executed by me. Albert Tatge was the seller, and involves a house located at the Southwest corner of Milwaukee avenue and Chevy Chase Avenue. The amount of money involved is \$8,500, deposited by myself on that escrow, and received from Mr. Johnson in the form of currency. It was deposited in the Chicago Title & Trust Co., April 1, 1938. The property described in Exhibit 33 was purchased at the request of Mr. Johnson. Title was taken in the name of Ted W. Goldstein. Subsequently a quit claim deed was delivered to Mr. Johnson by myself.

I did execute the escrow contained in Government's Exhibit E-34, on May 2, 1938. The amount of money deposited was \$4,000, with the Chicago Title & Trust Company, Escrow Department. The property involved is lots 25, 26 and 27, in that Columbia Gardens Subdivision. I purchased that property at the request of Mr. Johnson and received the money deposited from him in the form of currency. Title to that property was taken in the name of Ted W. Goldstein. Subsequently a quit claim deed was delivered to Mr. Johnson by myself.

I executed the document contained in Government's Exhibit E-37, for identification, on June 9, 1939. That involved about 175 or 180 acres adjoining the Bon Air. \$60,000 was deposited in that escrow by myself. I received the money from Mr. Johnson in the form of currency. At

his request I purchased that property. Title to that property was taken in the name of Abe Zimmerman. Subsequently a quit claim deed was delivered by Mr. Abe Zimmerman to Mr. William R. Johnson.

I executed the escrow contained in Government's Exhibit E-38, on June 10, 1939. That involved 11 or 12 acres East of the DesPlaines River, opposite the Bon Air. The property I just described a moment ago, in connection with that \$60,000 adjoins part of the property on the East side of the Bon Air and part on the West side of Milwaukee Avenue, within a short distance of this other property. There was \$3800 deposited by myself on that escrow. I purchased that property at the request of Mr. Johnson, from whom I received that money in the form of currency. Title was taken in the name of Mr. Abe Zimmerman. There was a quit claim deed from Abe Zimmerman to Mr. William R. Johnson delivered to him by myself.

I executed the escrow contained in Government's Exhibit E-35 for identification, on November 22, 1936. That involved 8 acres on Dempster Road, in the village of Morton Grove. It is not located with reference to any other property out there. It was formerly known as the Dells property. \$10,000 was involved in that transaction. There was a deposit of that amount made with the Chicago Title & Trust Co. by myself. I received that \$10,000 from Mr. Johnson in the form of currency and purchased that property at his request. Title was taken in the name of Isador Goldstein, my law partner. A quit claim deed was subsequently made by Isadore Goldstein to William R. Johnson and delivered to him by myself.

The escrow contained in Government's Exhibit E-36, for identification, was executed on February 10, 1937. That was 4 acres adjoining the 8 acres of the Dells property. \$9,000 was involved in that transaction. I purchased the property at the request of Mr. Johnson, from whom I
86 received the money deposited with the Chicago Title & Trust Co., in the form of currency. Title to that property was taken in the name of Isador Goldstein, who made a quit claim deed to Mr. William R. Johnson, which I delivered to him.

I executed the escrow contained in Government's Exhibit E-31 for identification on March 18, 1937. That involved 773 acres in DuPage County. Mr. Johnson requested me to get in touch with a gentleman who had an office in the First National Bank Building, and take up the matter of

purchasing this particular property. It is known as the Cutten farm, or Sunny Acres farm, located in DuPage County, near Wheaton. After taking it up with this real estate man we finally agreed on a price, and I reported to Mr. Johnson about it, and arranged for an appointment with Mr. Johnson and the sellers. The escrow was executed on March 18, 1937, at the Chicago Title & Trust Co. \$145,000 was involved in that transaction. I met Mr. Johnson by appointment on that date in the lobby of the Chicago Title & Trust Co. Building. We went upstairs to the 5th floor, the escrow department, where we executed the escrow agreement. The \$145,000 was in the form of currency. The bills were different size. It was a pretty good size package—I would not know just exactly—I guess it was wrapped up in paper. Mr. Johnson had that money when I met him in the lobby. We met this real estate man and Attorney Stickler of the Escrow Department and we arranged and executed this escrow agreement. Mr. Johnson and myself counted the money and went down to the cashier in the office of the Title & Trust Co. It took about an hour and a half or two hours to count the money. That is all that happened that day in connection with that transaction. Title to that property was taken in the name of Mr. William R. Johnson.

87 I have seen Government's Exhibit E-41, for identification, on April 12, 1937. That has relation to the Sunny Acres. The name was the Cutten Estates. I think 160 acres of land were involved in the purchase, adjoining to the East of the Sunny Acres farm. I had a conversation with the defendant Johnson before the purchase of this property. He told me he wanted to buy this farm adjoining this property. I got busy and found that an attorney by the name of George W. Thoma, in Elmhurst, represented the seven or eight heirs who owned this property. We arrived at a price and purchased it. \$16,500 was involved. I received that money from Mr. Johnson and deposited it at the Gary-Wheaton bank, in Elmhurst, in escrow. I received the money from Mr. Johnson. Title to the property was taken in the name of Isadore Goldstein, my law partner. Subsequently a quit claim deed was made to that property by Isadore Goldstein to Mr. Johnson, which I delivered to him. That was about April 12, 1937.

I deposited the money with the Chicago Title & Trust Co. in connection with the purchase of some land adjoining the property to the Curran farm, which has relation to the

escrow contained in Government's Exhibit E-39, for identification. This property was in between the Curran farm and the Bon Air properties. \$10,000 was involved, covering some lots and acreage. The money was deposited with the Chicago Title & Trust Co., in the form of currency. I received it from Mr. Johnson, at whose request the deposit was made, on July 17, 1939. There were no other deposits made in connection with that property, but there were as to other properties in the same vicinity. The amount of money involved was \$7,500, deposited at the State Bank of Evanston, in the form of currency, by myself, which I received from Mr. Johnson. I made the deposit at his request.

I think there was another piece of property adjoining the Curran farm, of 11 acres, east of the DesPlaines river, that

I purchased. Something like \$1,350 was involved. I
88 purchased that property at the request of Mr. Johnson,

from whom I received the money in the form of currency. That was about the same date or shortly after the Curran property was purchased. I think title was taken in the name of Abe Zimmerman. Subsequently, a quit claim deed was made to William R. Johnson, which I delivered to him. I delivered the quit claim deeds to Mr. Johnson personally. The money delivered to me by Mr. Johnson was personally delivered by Mr. Johnson.

I never did collect any rent from the property known as 9730 Western Avenue. I understand there was a one story building placed on that property. I talked to Mr. Creighton about having collected rent from that property. I see Mr. Creighton here in the courtroom (indicating the defendant Creighton). I think the conversation took place some time last year, I believe. I think in February or March of 1940 at my office. He came in to see me, and told me he had been over at the Federal Building and had a talk with the District Attorney in connection with the building, and he told him that he leased that property from me and was paying me five hundred a month. I told him it was not true. We got into a little discussion about it. He knows it was not true. He never gave me any money for rent on that building. I do not know anything about it. Then he said "I, of course, will insist upon that I did." He was going to insist that he paid me five hundred a month. He told some one in the District Attorney's Office that he was paying rent. I believe it was the time the Grand Jury investigation was going on. I have spoken of William R. Johnson and I see him in the courtroom (indicating the defendant Johnson). That is

the Johnson I have referred to during my testimony in regard to these real estate transactions, and with reference to these quit claim deeds to the property I have testified about here. That title to the property was taken in the name of Ted Goldstein and Homan and Abe Zimmerman, who took title in their names, were recorded by me and by me delivered to Johnson. The currency which I deposited in various amounts was in denominations from \$10.00 up to \$1,000.00. The denominations of the \$145,000 in currency which defendant Johnson brought into the Chicago Title & Trust Co. were some thousands, five hundreds, hundreds, tens and twentys, I guess. There were some \$100.00 bills in each instance.

Mr. Thompson: It is our desire to reserve cross-examination of this witness, and ask that he be instructed to return after we have had a chance to examine the many documents that have been referred to, all of these transactions that have been discussed here.

Mr. Hurley: I object, if the Court please. Counsel here has been fully advised. He can examine the records. That is not a good ground.

Mr. Thompson: There is nothing in the bill of particulars regarding these transactions.

Mr. Hurley: We mentioned the amount of money and certainly the amount of land.

The Court: I didn't hear what you said.

Mr. Thompson: There is nothing in the bill of particulars regarding these transactions. This is the first knowledge I have had of all of these alleged transactions in the name of this man.

Mr. Hurley: There is everything in the bill of particulars that the Court ordered; it complies with the Court's order.

90 The Court: No. I think we will pursue the usual order. You may proceed with the cross-examination.

Cross-Examination by Mr. Thompson.

I am a member of the law firm, Goldstein & Goldstein. The members are Isadore Goldstein and myself. There is one stenographer employed in the office and two lawyers, Clarence W. Shaver and William R. Peacock. There are no other people connected with the office in any way. I have no other business besides being a lawyer. I devote most of my time to the practice of law. With the rest of my time I

publish a newspaper at Waukegan, Illinois. I devoted all my time to the practice of law in '37 and '38, up to the latter part of '39. When I was handling these transactions I was acting as attorney for Mr. Johnson. I consider him a friend, being friendly it was not a relationship between attorney and client; I didn't consider it that way. I just handled these transactions as a friend. I consider myself as having been a friend of Mr. Johnson for ten years or more, and the relation still continues to exist. There were four different transactions concerning the property on 97th and Western. An actual agreement as to the first transaction mentioned is E-27. Conveyance of the property was to be made by Isadore Goldstein, my law partner, and the second transaction, E-28, the conveyance was to be made to Isadore Goldstein. The third transaction, evidenced by E-29, the conveyance was to be made to Isadore Goldstein. I did not take title to any of that property. The fourth transaction, E-30, conveyance was not made to me. Anna

Homan took the title of the last property. I think the trust officer or escrow officer at the Chicago Title & Trust, wrote that Anna Homan in there. I do not know what "G. R." after her name means.

Q. Why did you have this stenographer take title to the fourth tract, whereas the other three were to your partner?

A. Well, they were adjoining property. My object was that if one party was trying to buy all that property that the price would be considerable more than what it was purchased for. I always took the title in the name of the nominee. Then after I consolidated it all I would issue one quit claim deed, but it is pretty hard to remember if that is what I did here. I couldn't remember the details of the transaction. I know there were deeds executed. That is all I could remember. I could not tell you definitely the detail about it. I do know who finally got title to the property. I believe that I recorded the deeds myself, or had the Chicago Title & Trust Co. record them. That is, I recorded the deeds or had conveyed the property to Mr. Johnson. The four tracts of land covered by the document we are talking about were, so far as I remember, conveyed to W. R. Johnson or William R. Johnson. My best recollection would be William R. Johnson. I did not say that I recorded the deed to each. I did not record the deed in that instance. I think I made one quit claim deed to Mr. Johnson with respect to these four tracts we are now talking about. I think Anna

Homan signed it. I am not sure about that. She was a single woman at that time. No, sir, she was married in between there sometime—I could not tell you just when. I do not remember whether my partner conveyed to Anna Homan or direct to Mr. Johnson—I do not recall. I do not recall if Mr. Johnson by these deeds that I drafted got title to all of this property. Naturally, if I see the
92 deed I could explain it all in detail. My best recollection is that this property was conveyed to Mr. Johnson by deeds prepared by me and I delivered the deeds to Mr. Johnson. Whether the deed was executed direct by Ann Homan and Isadore Goldstein or whether or not Isadore Goldstein conveyed to Ann Homan and then to Johnson, or whether it was all of it or part of it I couldn't say unless I see the deed. I don't recall that offhand. I know there was some confusion about that particular piece of property—I mean on account of the transaction which involved four or five or six sellers. I don't recall. We tried to withhold information as to who was purchasing that particular property. I tried to withhold it for the purpose of trying to purchase it as cheap as I possibly could. I am not sure whether anybody else was interested in this particular piece of property, Mr. Thompson.

Q. When did you become uncertain about that, Mr. Goldstein?

A. I just happened to think at this moment.

Referring to defendant's Exhibit J-1, for identification, my recollection about whether or not Mr. Johnson got title to this property is that he got an undivided one-half interest. I prepared that quit claim deed and it was acknowledged in my office. Clarence W. Shaver took the acknowledgment. That says that an undivided one-half interest was conveyed to William R. Johnson. Ann Homan and Raymond J. Homan, her husband, signed the deed. It covers Lots 38 and 39 in Bartlett's Beverly Highlands Subdivision, which are covered by the escrow agreement that is under Government's Exhibit E-30. I don't know whether I delivered this quit claim deed, Defendants' Exhibit J-1, for identification, to Mr. Johnson, or left it for him. I do not recall that particular instance.

93 Defendants' Exhibit J-2, for identification, conveys an undivided one-half interest to these lots to Mr. Johnson. The grantors are Ann Homan and Raymond J. Homan, who got title to this property through Isadore

Goldstein, who quit claimed to them. They quit claimed a half interest to Mr. Johnson, and that deed covers Lots 31, 32, 33, 34 and 35, and those are the lots covered by escrow agreement identified as E-29, E-28 and E-27. That was acknowledged before William R. Peacock, a notary public in my office. He is an employee, as a lawyer, in my office. This deed was not delivered by me to Mr. Johnson. The two deeds pertaining to Western and 97th, I don't recall whether I left it for him or whether or not I delivered it in person.

I was a defendant in this indictment when it was returned and it was dismissed when this case was called for trial. I did not have any conversation with U. S. Attorney prior to the dismissal of this indictment. I have talked to the U. S. Attorney three times about this case, after the dismissal. I had not talked to him about these matters in a general way many times before that. I am also a defendant in a pending indictment for perjury. I presume that relates to the investigation of this matter before the grand jury. That indictment is still pending as far as I know. I did not have any conversation with U. S. Attorney as to what disposition is going to be made of that indictment. He did not tell me that the disposition of that indictment will depend upon my performance in this case. We had no conversation whatsoever about the perjury indictment. Nobody representing the U. S. Attorney said anything to me about it. My lawyer has not told me anything about what the deal was. I have been attorney for William R. Skidmore for a good long while, who was also a defendant in this indictment before this case was called for trial. He was dismissed out of the indictment at the time it was called for trial. I have
94 known William R. Skidmore twenty years. I have handled matters for him, I imagine, during that time. I do not recall as to how I became acquainted with Mr. Johnson. Skidmore may have introduced me to him.

Q. He is the man that owns the other half interest in this property out there that we have been talking about, at 97th and Western, isn't he?

A. As I remember it now, I think that is correct.

I guess that is right, but I made a quit claim deed to him for the other half.

Q. And, as a matter of fact, he is the one who brought the cash in to you, instead of Mr. Johnson, isn't he?

A. As I recall it, it was Mr. Johnson.

It is not true that Mr. Johnson knew nothing about this deal until after it was closed. As I recall it now Mr. Johnson,—just to freshen my memory—when the first piece of property was purchased, at 97th and Western, I believe Mr. Johnson sent the money down to me at the Chicago Title & Trust Co., with one of the gentlemen here. In that one instance, on that one or two lots, I don't remember. There was quite a number of transactions, and I just don't recall the details about it. I just didn't give the details of the particular transaction much thought. My recollection is that I made a deed to the half interest of this property and delivered it to William R. Skidmore. I did not say that my recollection is that Skidmore furnished me this cash to buy it. Skidmore did not furnish the money. Mr. Johnson sent it down to me. That is positive. I had a telephone conversation with Mr. Johnson and he told me he was sending a man down with that money to meet me at the Chicago Title & Trust Co. I remember that very distinctly. I did not have any telephone conversation with him about the second transaction. I saw him personally—I don't just recall where. He delivered that money to me in various amounts at various places on various days. It took us an hour and a half or two hours to count the \$145,000. 95 Both of us were counting it. It was tens, twenties, fifties, hundreds, and that is quite a package. If you could count it any faster I don't know. I imagine it took us an hour and a half—I can't recall the exact time.

I am almost certain I know Skidmore's handwriting. That is Mr. Skidmore's handwriting, Defendants' Exhibit J-3, for identification. That does not refresh my recollection as to any particular deal I had.

The amounts there of ten thousand and the 9 thousand, are not identical with the amounts paid for the Dells property. I think the Dells property was more than ten and nine thousand. It was purchased subject to some taxes. My testimony up to this point is that it cost ten thousand and nine thousand. I know the amounts are on there, but I don't know what it is. I don't know if it is an escrow amount, the first deposit. I handled the money, yes, but I don't know whether I handled this particular money that is marked here. They are figures—that is all I know. I do not know that Skidmore handed me that amount of money that is there on that slip. That slip indicates that there was ten thousand of the twenty thousand dollars invested paid by

somebody—I don't know what it is. I don't know that that is an accounting between Mr. Skidmore and Mr. Johnson with respect to the purchase of the Dells property. I don't know, but that may be so, that Mr. Johnson only owns half of the Dells property and only paid half of the price. Sam Hare is the gentleman who I knew that used to operate the place before it burned down. I don't know the Barrett who is mentioned on this slip. Lawyer Herman is the attorney that represented the seller, I believe. I presume the Goldstein mentioned in here is me. There are other Goldsteins, however. I guess that the Goldstein that got \$750. out of this deal was me. Referring to Government's Exhibits,

E-35 and 36, which are the two documents that I have 96 already identified, the first one shows \$10,000 as the consideration for the first part of the Dells property, subject to all unpaid taxes, forfeitures, sales, etc. I did not mention all of them when I first testified. You did not ask me the question. And the second one shows \$9,000 for the second tract, subject to all unpaid general taxes, tax sales and tax forfeitures. I went over my testimony regarding the Dells property yesterday, and today with the U. S. Attorney, and the amount of money. That is all.

Q. Did you tell him that Skidmore owned half of these two pieces that I have talked about?

A. I don't remember that, Judge Thompson. I didn't remember that. I was of the opinion that Mr. Johnson owned it all. Had I remembered, I would not have said so.

Mr. Thompson: If the Court please, that is all we know about this testimony up to the present and therefore we ask to reserve further cross-examination until we have had a chance to inspect the rest of these properties.

Mr. Hurley: I object to any reservation in that respect. If counsel wants to cross-examine this man he can do it now.

The Court: From what has been indicated in the opening statement of counsel this is going to be a long trial. It is going to be difficult for the jury and the court to follow the testimony. Accordingly I will have to ask you to cross-examine the witnesses as they are produced unless some special reason arises or unless counsel agree. If you have any further cross-examination, cross-examine this witness now.

Mr. Thompson: If the Court please, we have no further information and if we get further information that 97 bears on these matters we will want to call this witness again.

The Court: All I am doing now is ruling you to proceed with the cross-examination if you have any, and you will do that.

Mr. Thompson: Well, we have no further cross-examination now. We have no further information with respect to the matter.

Re-direct Examination by Mr. Hurley.

When I was testifying on direct examination I did not have Defendants' Exhibits J-1 and J-2 before me, and I testified on cross-examination that a certain gentleman here in the courtroom delivered that first money for the payment of 9730 Western Avenue. That was Mr. Creighton, whom I identified here today.

(Thereupon GOVERNMENT'S EXHIBITS E-69 AND E-70 were offered and received in evidence, over the objection of the defendants, on the ground that they are immaterial and do not prove any issue in this case.)

Mr. Thompson: We would like to have the witness, if your Honor, please, the witness William Goldstein, instructed to stay in the jurisdiction of this court until this case is concluded.

The Court: What is the reason for that?

Mr. Thompson: Sir?

98 The Court: On what ground?

Mr. Thompson: On the ground that we propose to call him for further cross-examination if we find any—

The Court: Now, that question has been determined. I want you to take that seriously. If you have any further cross-examination do it right now.

Mr. Thompson: If the Court please, we cannot cross-examine him further unless we get some further information regarding these transactions. If we do we shall then present the question to your Honor for decision and we want the witness in the jurisdiction of the court.

The Court: The cross-examination is concluded. Call your next witness.

JOSEPH D. SHELLY called as a witness by and on behalf of the Government, having been first duly sworn, was examined and testified as follows:

99

Direct Examination by Mr. Hurley.

My name is Joseph D. Shelly. I live at 1215 Elmwood Avenue, Wilmette. I am chief escrow officer of the Chicago Title & Trust Co. I have been employed there approximately fifteen years. I have been chief of the escrow department of that corporation for eleven years.

Government's Exhibits, for identification E-27, E-28, E-29, E-30, E-31, E-32, E-33, E-34, E-35, E-36, E-37, E-38 and E-39 are part of the records of the Chicago Title & Trust Co. As chief of the escrow department of the Chicago Title & Trust Co. those exhibits were under my direction and control. The entries on the outside of the envelope, with reference to the cash deposits are not made particularly under my control. They are made by our cashiers, which are not part of the escrow department. Departmentally they are not under my particular control, but the documents, relating to the escrow contained in the envelopes, were under my supervision. The amounts called for in the escrow agreement are identical with the credits shown on the face of the escrow file except in two instances, one of which case is the amount shown on the face of the escrow—is somewhat in excess of the amount specified in the escrow agreement. That is Exhibit E-37, and there is an additional deposit of currency shown in Exhibit 33, which is not mentioned in the escrow agreement. I don't see it covered by supporting papers although perhaps more complete records of the transaction would show that. We can produce the man who actually handled that escrow in my department.

(Thereupon the Government offered in evidence GOVERNMENT'S EXHIBITS E-39, 36, 35, 34, 33, 32, 31, 30, 29, 28 and 27.)

100 Mr. Thompson: If the court please, we object to exhibit 33, which is nothing but an envelope, as altogether immaterial and in no way connected with this transaction described in the indictment. Exhibit 33-A, which seems to be a real estate contract for purchase between William Goldstein and Mr. and Mrs. Tatge, which we object

to on the ground that it is immaterial and that we have not yet had the opportunity to make investigation sufficient to cross-examine respecting this document. And we object to E-33-B, which seems to be an escrow agreement between the law firm representing the Tatges and William Goldstein, which we say is immaterial and also of which we have not had the opportunity to make sufficient investigation to cross-examine; no proper foundation has been laid to bind the defendant Johnson with any of the contents of these documents.

The Court: The objection may be overruled.

Mr. Thompson: Without repeating our objection as to each of these exhibits which relates to the envelopes, we will object to all these envelopes as not being binding on defendant Johnson, as having no materiality with respect to the issues in this case. As to the contents of 27, which is marked now E-27-A, and as to the contents of 28, which is now marked E-28-A, and as to the contents of 29, which is now marked E-29-A and as to the contents of 30, which consists of two sheets of paper marked E-30-A, these are the documents concerning which we first cross-examined the witness Goldstein. The contents are not identified as binding on defendant Johnson and the subsequent testimony of the witness and the documents show that his statements made at the time he so identified them are false statements.

Mr. Callaghan: If your Honor please, the other defendants adopt each and every objection of our associate to these documents and prior documents which have just been admitted. In addition to that objection, the other defendants certainly are not bound by the transactions mentioned in those documents or by the documents themselves.

The Court: What do you say as to the effect of these papers as against the defendants other than William R. Johnson?

Mr. Hurley: Well, we are willing that they be restricted to the defendant Johnson as of this time. If they are later shown to be connected up, all right.

The Court: Very well, with that understanding they may be received.

Mr. Hurley: With the possible exception, your Honor, of the connection shown as to defendant Creighton.

Mr. Hess: As to one possibility? As to one piece?

The Court: As to one piece of property. Which piece is that?

Mr. Hess: 97th and Western; 27, 28, 29 and 30.

The Court: Well, they are received upon the evidence which is already in and upon the undertaking of the government to connect the other defendants.

(Thereupon GOVERNMENT'S EXHIBITS E-27, E-28, E-29, E-30, E-31, E-32, E-33, E-34, E-35, E-36 and E-39 were received in evidence.)

102 Mr. Thompson: Anyway, I make these objections to Government's Exhibit E-31, which is in an envelope, on which there is a lot of writing and other matter which is not identified with any defendant, and is not shown to be material to any issue in this case.

Inside of that we have 31-A, which appears to be an escrow agreement between Goldstein and the Chicago Title—for the owners, I suppose—which is immaterial to any issue in this case, outside of the issues made by the indictment, and outside of the matter furnished in the bill of particulars.

E-31-B seems to be another escrow agreement, which relates to transactions immaterial to this issue. That is all on 31.

E-32 we object to as immaterial to any issue in this case, and is not connected with these defendants, an envelope containing a memorandum.

E-33 is an escrow agreement, which has contents not material and not binding on any of these defendants, and is immaterial to the issues.

E-34 and its contents is outside of the bill of particulars, and is immaterial to any issue in this case, not signed by any defendant, and not binding on any defendant.

E-35, we object to on the ground that it is outside of the bill of particulars; that it is immaterial, and that the document is not signed by any of these defendants and not binding on them.

E-36 and its contents is outside of the bill of particulars, immaterial, and is not a document signed by any of 103 them.

E-39, an envelope containing quite a bundle of documents—the envelope itself is immaterial.

39-A appears to be an escrow order which is not signed by any of these defendants, and is not connected with them or binding on them.

B seems to me--well, B is a letter addressed to a trust company, which is perhaps a trustee, signed by an individual who appears to be a woman; nothing to show that any defendant here had any connection with the document, no materiality, outside of the bill of particulars.

And 37-C seems to be a long agreement of many pages between the seller and William Goldstein, containing a lot of matter altogether immaterial to the issues in this case, prejudicial, in no way binding on any of these defendants and outside of the bill of particulars.

That is all that they have offered in evidence and upon which the Court has not yet ruled, notwithstanding the transcript shows to the contrary.

The Court: The Court's recollection is that Government's Exhibits for identification E-27, E-28, E-29, E-30, E-31, E-32, E-34, E-36 and E-39 were all offered and received in evidence on Friday last.

Objection was made to some of these items and those objections were overruled.

No objection was then made to 31, 32, 34, 35, 36 and 37. The exhibits were all received in evidence.

Objection is now made, as I understand it, to 31, 32, 104 34, 35, 36 and 39; and those objections are overruled and all of the exhibits are received in evidence.

Thereupon out of the presence of the jury, upon a showing made by the United States Attorney and over the objection of the defendants, the Court ruled that Joseph J. Nadherny should be called as the Court's witness.

JOSEPH J. NADHERNY, called as a witness by the Court at the request of the Government, having been first duly sworn, was examined and testified as follows:

Examination by Mr. E. Riley Campbell.

My name is Joseph J. Nadherny. I am an architect. I practice my profesison from my home and from 1518 West Roosevelt Road, Chicago, Illinois. I have been an architect since 1917. I have lived in Chicago ail my life, except two years spent in Philadelphia in school.

I know Mr. Wait, the defendant in this case. I saw him Saturday night at the Bon-air Country Club, I presume about seven-thirty or eight o'clock. I had a conversation

with Mr. Wait in the barroom at that time. Nobody else was present. It did not at first relate in any way with the subject-matter here but it did at the end of the conversation.

Q. Now, Mr. Nadherny, tell what was said at that time and what was done at that time between you and Mr. Wait?

Mr. Thompson: Now, if the Court please, we object to that as having no materiality to any issue in this case and long after the return of the indictment.

The Court: Overruled.

Mr. Thompson: If the witness has any testimony that is direct on the issues in this case let it be given and then
105 see whether it is material.

The Court: Overruled.

The Witness: We were talking casually about various matters. At the end, the subject of the testimony of Friday came up and Mr. Wait mentioned the fact that he felt that some of this testimony was false. In substance, that is all I recall. I couldn't tell you who brought up the subject; I don't remember. I couldn't say that I brought it up, I may have, and Mr. Wait may have brought it up; I don't remember which one brought it up. I couldn't say why it was brought up. Nobody else was around at the time the conversation occurred; it lasted a few minutes only. I had met Mr. Wait somewhere. We sat down on the settee there; we were not drinking. The bar is a room. When I say the bar, I mean a room. It is a lounge; it is not at the bar actually; it was in the room of the bar. I mean to say that I met Mr. Wait in that room and went up and sat down. The conversation lasted a few minutes. He had some business; he got up and went; that is all. I couldn't tell you what Mr. Wait was doing there; I was visiting the place. I met Mr. Wait in 1938 at the Bon-Air Country Club. I met him in connection with the work that was going to be constructed. My best recollection is that he and Mr. Johnson were together at the first occasion at the time the alterations were discussed. They were going to alter the building into a cafe-restaurant. There may have been someone else present; I can't say. This conversation took place in March or April of 1938. It is hard to answer. All I can say is that previous to that time there had been some conversation as to what work was to be done, and on this particular
106 day all I remember is that on a Sunday it was decided definitely what to do. That was to put on a certain addition out from the building. This prior conversation

which I refer to may have been with Mr. Johnson; I won't say; I don't remember the details.

On Saturday night last I saw Mr. Sommers (sitting at the right here) at the Bon-Air Country Club. I just said, "Good evening," just shook hands and said "Good Evening." Prior to that I had met him just a few times at the Bon-Air. He was sitting in the lounge on Saturday night at the Bon-Air. I had no further conversation other than to shake hands and to pass the time of day with Mr. Sommers.

I saw Mr. Creighton at the Bon-Air Saturday night; I had a conversation with him. We talked alone for a while. Mr. Wait sat down for a just a minute. He was present at the end of the conversation which occurred in the rear part of the restaurant; I would say it lasted a few minutes also. That conversation related to an address sometimes referred to here as 9730 South Western Avenue. The substance of the conversation was that Mr. Creighton had paid some of the money for part of the extras done on the job. We had also talked about Mr. Creighton contemplating some work on Jackson Boulevard; that is the substance of it. We also talked about the fact that Mr. Skidmore had paid some of the money, had paid the money or some of the money,—the greater portion of the money on the 9720 Western Avenue Club. That was all, to the best of my knowledge; I don't remember the details. I think Mr. Creighton brought up this subject. Well, we were talking about—something about my testimony, and I had remarked that I had not
107 mentioned the fact that Mr. Creighton—Mr. Creighton had given me some money—had not gone into those detailed facts.

I talked to the United States Attorneys Friday. That was all that transpired between Mr. Creighton and myself; I just mentioned the fact that I had talked to the United States Attorneys and I had not mentioned it; I just had not thought about the thing at all. In other words, I told Mr. Creighton what I told the United States Attorney Friday night. I told Mr. Creighton that I said to the United States Attorney that I had received money from Mr. Johnson and stopped at that point; I did not elaborate on the fact that it was given to me through Mr. Skidmore.

Mr. Thompson: If the Court please, defendant Johnson objects to any conversation related out of his presence with respect to any acts of his.

The Court: Overruled.

The Witness: That was all that Mr. Creighton said to that. We probably discussed his—it was going back and forth, you know.

I would like to explain what is meant by these extras which Mr. Creighton and I were talking about. The building was put up under a contract, and in the course of the operations there were certain extras, and at the end of the job there was equipment put in that had nothing to do with the actual operations, and those extras were the portion of the extras that Mr. Creighton paid for. I think that explains it.

I was the architect for 9730 Western Avenue.

Q. Tell us how you came into the matter, all you did in connection with it; all about it. Just go right ahead
108 as though you were not told what to say.

Mr. Thompson: I object to that and ask that he put the questions:

Mr. Campbell: That is perfectly proper—

The Court: Overruled.

Mr. Thompson: Well, I ask that he put the questions—

The Court: I have ruled. Proceed, gentlemen.

The Witness: I was doing some work for Mr. Skidmore on Kedzie Avenue at the time, I recall—to the best of my knowledge. I remember that he said he has a friend that would like to put up a building, Mr. Johnson, and he said, "He will come up here"—I have forgotten just what day it was that I met him—but Mr. Johnson explained to me what he wanted, the type of building, and I drew up a sketch for him, and I subsequently returned and explained to him, and he says, "Go ahead and draw up plans," which I did, and the building was erected, as I said before, under a contract price, plus a certain amount of extras. The building was 100 by 125; it was a brick building, ordinary type of construction, cement floor in it, open at the time. There were two doors provided in it and I had instructions to make it like a garage and provide for steel in the front, so that it could be opened up. At the time, only small doors were provided. The extras that I supervised installation of in that building to which Mr. Creighton referred in his conversation with me on Saturday, I would say, was a bar, and there was some heating—I couldn't tell you exactly; mainly just for the equipment going inside of the place. There was a small kitchen put in there; there was a bar put in there, and a lounge. I think that is about all.

109 I did not see any of the gentlemen sitting here with their counsel during the course of the construction at that 9730 address.

Mr. Creighton gave me the currency at 63rd and Cottage Grove in all cases for the extras installed in that building; I don't know the address of the place at Cottage Grove; I would say around 6250, 6230; something like that. I couldn't tell you exactly. I met Mr. Creighton at 63rd and Cottage Grove once. A gentleman named Gitzen was present. I think we were through with these extras; we had finished with this extra work and Mr. Gitzen, at the building, told me that Mr. Creighton wants to pay for some of this work done in connection with the equipment. There were questions asked me as to giving suggestions as to the inside finishing of the place, which was the subject of conversation, also, at the time we were at 63rd and Cottage Grove Avenue. Mr. Creighton made payment of around \$2,500.00 in the form of currency to me at 63rd and Cottage Grove. It was on the second floor in the club room. I have since heard of the Club Southland; at that time I never knew of the place. I saw nothing at this particular address where Creighton paid the \$2,500.00; this room was empty; a man let me in. I went through probably two doors before I saw Mr. Creighton. He was in a big room; walking around, I guess. I remember one table; I don't know what else. I think it was empty, as I remember. It was just an ordinary round restaurant dining table. I couldn't tell you where the money came from that Creighton handed to me on that occasion. Prior to this time I have never told any Government official anything about this transaction between myself and Mr. Creighton; I just wasn't asked the question.

110 Government's Exhibit O-8 for identification is the building that was constructed at 9720 Western. That is the building to which I refer in my testimony. That is the first time the extras were paid for by the defendant Creighton.

Mr. Campbell: I offer in evidence Government's Exhibit O-8 for identification.

Mr. Thompson: We object to it as immaterial; outside of the bill of particulars; no relation to any information conveyed by either the indictment or bill of particulars.

The Court: Overruled.

(Whereupon said document was received in evidence as GOVERNMENT'S EXHIBIT O-8).

Mr. Hess: If the Court please, there are some notations which I take it are not included in the offer.

Mr. Campbell: I submit to the Court that the notations on the bottom—it is the address of the building, and some initials. However, if there is serious objection to them, we will blot it out.

The Court: How many of these photographs are you going to put in evidence?

Mr. Campbell: There will be several of them as we go along, your Honor.

The Court: I think it is a good idea to have at least a part of that notation on there. Objection overruled.

Mr. Thompson: I think I might point out at this time, your Honor, this matter of duplicating testimony by having the witness testify and then offering a lot of 111 supporting documents, supporting photographs, and so on, as simply encumbering the record and tending toward confusion. We think it ought to be placed in proper limits.

The Court: It will be placed in proper limits. I don't think that rule has been transgressed up to this time. According to the opening statement of counsel, this case is going to involve a number of different matters, and photographs of this size will enable the Court and Jury to get the matter in their minds and keep it there.

Mr. Thompson: That is not an issue in this case, and has not anything to do with it.

The Court: Now, I have ruled. Will you please proceed?

Mr. Campbell: May I at this time show the photograph to the jury, your Honor?

The Court: Yes.

Mr. Campbell: Q. Who else of these defendants, if any one, did you see at the Bon-Air Country Club last Saturday night?

The Witness: I had just a glance of Mr. Johnson, and that is all. I believe I did mention Mr. Sommers. I didn't mention Mr. Hartigan; I saw him from a distance. I didn't recognize him nor say "Hello," or anything. I didn't have any conversation with Johnson, Sommers and Hartigan last Saturday night, except, as I say, I said "Good evening" to Mr. Sommers.

Other than the work I referred to here, I did the Bon-Air Country Club for Mr. Johnson. We added on from the main room, a room 60 by 60, plus 15 feet for the stage portion; also a tool house was put on the premises, and

a gateway was added in the front. I think that covers 112 the work. I supervised that construction. I don't know exactly how much it cost, because I had no access to the books, but I based my fee at the total work \$60,000.00. I handled part of the payments myself for this construction; I would say mostly in currency; some with a check. I obtained it in the office that was maintained upstairs. Mr. Johnson, Mr. Wait and Mr. Geary gave it to me. I know Mr. Geary was an accountant or bookkeeper. He was an employee at the Bon-Air Country Club. I don't know just what he was doing; auditing accounts, paying bills, probably.

Roy Love handled the work; I would say, almost a contractor on the job; he employed men, and did certain of the major sub items, and those portions that I didn't handle. By that I mean he got prices and submitted them. I saw Mr. Love and Mr. Johnson together a lot of times. I saw Mr. Wait, but other than that, I wouldn't know.

I only know Mr. Geary as Bud Geary. I would say I had seen him with Mr. Wait and Mr. Johnson; the other gentleman I have never seen there. I don't recall seeing them on the project. I don't recall being present when any conversation occurred between Geary and any of these defendants. Mr. Wait and Mr. Johnson were present during conversation between Love and myself. I don't remember any of the others being there, to my knowledge. Mr. Johnson made final decisions on matters pertaining to the Bon-Air Country Club.

I have been around the Bon-Air Country Club and am familiar with the building and the various rooms in the building. There is a club room out there. This particular room used to be a locker room, and when the locker room was built on the other end of the building, that was 113 transformed into a club room; by that I mean certain projections were removed. It was made into a large room. Altogether I was in the room every day while they were working on it, probably a week or ten days; and probably a half dozen times after the job was completed.

I have seen activity in that room; gambling paraphernalia around there; I would say a dice table and roulette. I have seen people around those tables. There always very few when I was in there. The room was approximately thirty by fifty feet. I haven't any idea of the cost of constructing that room. There was a room upstairs on

the second floor—there was no equipment ever put in there. There was no construction of that; it was just a question of painting the inside. The gambling took place in this club room I mentioned on the first floor.

I only recall seeing Mr. Wait at the club room. He was walking around; he was in and around the room, I would say.

The approximate cost of the extras at the 9730 Western Avenue address was around \$6,000.00. The total cost of the job, exclusive of the extras, was \$22,400.00. Mr. Skidmore paid the \$22,400.00. That took place at 2840 Kedzie Avenue. I talked to the contractor, J. S. Olsen, at 2840 Kedzie Avenue.

In the course of construction work on 9730 Western Avenue, I talked to Mr. Johnson on 2840 South Kedzie Avenue. I have a recollection that Mr. Skidmore might have been there, but I can't say very definitely. I was working on Mr. Skidmore's office at that time and they were not finished. We talked in the yard and in the office there. Later on I would say it was in the offices that had been completed.

114 There was not much discussion with respect to this 9730 Western Avenue building because it was practically four walls. There were certain things I talked to Mr. Johnson about. Sometimes Mr. Skidmore was present, and sometimes he was not.

Q. Have you related all that was said in these conversations?

A. Well, it is three and one-half years ago, Mr. Campbell. I am doing my very best for you.

Nothing else was discussed in those meetings besides 9730 South Western Avenue, where Skidmore, Johnson and myself were present.

I would come there with my bills; that is the reason I came. I would present my bills relating to construction on 9720 on the first of the month, so that they would be paid by the 10th. I paid bills relating to 9730 Western Avenue at Mr. Skidmore's Kedzie Avenue address. I got bills there for the Kedzie Avenue building; I got money there for work that I did for Mr. Skidmore, various projects. Do you want those named? I was remodelling a summer cottage for Mr. Skidmore; I remodelled his house; there was a garage erected; there was a greenhouse erected; a dairy was erected and a small sales building. I think that takes in what I did for Mr. Skidmore. That was done in McHenry, Illinois. I

did no work on any farms, Mr. Campbell. That was on private property. It was four miles out of McHenry, Illinois. That is all. It was not on certain buildings on farms. As I say, the residence was there and it was 115 remodeled, and a garage—we took material from the residence that we wrecked and part of it was put into the garage, and there was a greenhouse, but it was on private property. The summer cottage was on private property, on a piece of ground out there, and the dairy was on a piece of farm property, and the sales building was put on a piece of property. I would say two were put on farm property, and the others were private. I haven't any idea of the size of the so-called private property; I would say 700 by 200. It was four miles out of McHenry, Illinois. It is on Pistakee Bay. I supervised this construction I have mentioned and handled a payment of a portion of the bills. I did the work for Mr. Skidmore and he paid me currency. I do not know whether any of those payments were made in the presence of Mr. Johnson; he may have been present; I wouldn't be certain about that.

I would say that I have told you all about the construction work or architectural work which I did for the defendant Mr. Skidmore.

I do not think I mentioned about the Downers Grove work which I did for Mr. Johnson. I did some alterations to his house out there and handled a highway project, that was paid for by the Highway Department. It appears that they widened the street from—I forgot what it was, up to a hundred feet, and this necessitated pushing his gateway to the premises back and also there was a little house which had to be pushed back also, which the Highway Department paid for and, as I say, I handled that project for him also. I would say the total amount involved in this Downers Grove job was around eight, ten thousand; ten thousand dollars I would say. I only paid a portion of it. I paid some bills by currency. I 116 received the money to pay the bills from Mr. Johnson in currency, except for the Highway Department; that was a check from the Highway Department. The property at Downers Grove was Sunny Acres Stock Farm.

I did the Bon Air work for Mr. Johnson in 1939. Thirty feet was added on each side to this room that was put up in 1938—the dining room of the theatre restaurant. One wall was just moved back some for more room and then the other was moved out the other way; and in addition

to that the kitchen was added on to accommodate this further capacity, and also a cafe and a golf locker room, and there was an addition made on the front so that the lobby would be more spacious. I supervised all that work; I paid a small portion of the bills.

I based my fee on a cost of 130 thousand insofar as my actual work was concerned. The bills that I paid were mostly by check; I was reimbursed for those payments in currency received from Bud Geary who gave me those sums of currency at the Bon Air Country Club. He was looking over the books and accounts at the time.

When I came with my bids, Mr. Johnson said, "Award the work," and when I came with the bills I would go into the office and I was paid by Mr. Geary—I think it was. I am getting confused about that. In 1939 when I was bringing in orders for approval, Mr. Johnson said that I should have the orders made out in the name of the Lightning Construction Company because the Lightning Construction Company was going to pay the bills, and Mr. Wait and Mr. Geary may have been there at the time, I just don't recall. I do recall Mr. Geary particularly, though, when I was so instructed; and so, accordingly, in most instances I had these estimates received in the name of the Lightning Construction Company 117 and presented them in that way to the office.

I don't know whether the Lightning Construction Company was a corporation or a company, but Roy Love was one of the company.

The Downers Grove work took place in 1939. I received \$7800.00 as an architect fee for supervising the construction of the Bon Air Country Club in 1939. I received two payments from Mr. Johnson and at one time I asked him for a payment and he said that he is leaving town, or something, that I should see Mr. Skidmore, and Mr. Skidmore gave me that money. I don't know which payment it was. I think it was around \$2500.00 or I think a three thousand dollar payment. I received the balance of my fee from Mr. Johnson; that would be 48. I couldn't say where Mr. Johnson was when he paid me that fee—it was at the Bon Air Country Club. It was paid in currency on Kedzie Avenue. I would say that I have stated all of the work which I have done at Mr. Johnson's direction or request.

I have been inside the building sometimes called the Division and Dearborn, or the D. & D. Club. I went upstairs on the second floor to look at a cashier's booth. Mr.

Johnson wanted a cashier's booth for this club made at Bon Air and I think he called up to make arrangements for me to get into Dearborn and Division to see what they had at this place, and I went in there and looked the thing over and then built one similar for Bon Air. I don't know who Mr. Johnson called; I was not there and didn't hear the conversation. He said he would make arrangements for me to get in there; that is all that was said. He said, I will make arrangements for you to go in and see that cashier's booth, and I went there. We were talking about this cashier's booth at the Bon Air at the time; the

booth was for the Casino. Mr. Johnson said to go 118 over to the D and D Club and look at the cashier's table, the cashier's booth, and when I got at the cashier's booth I said, Mr. Johnson said that he was going to telephone that I could look at this booth. I don't know who it was that I said that to; I don't see the man in the court room. I walked into the second floor of the building at Division and Dearborn Streets. I couldn't tell you how big a room it was—I was only there once; I just would have to hazard a guess and it wouldn't mean anything. This visit occurred in the spring of 1939. There were a lot of people in there gambling, I suppose; roulette, I would say, and dice tables. I don't recall anything else that made an impression on my mind. I couldn't tell you how many dice tables. I think I just walked in; I remember just double doors there. I don't remember if there was any space between the doors—there may have been, I can't say definitely.

I had a conversation with the cashier. They were sitting on top of this booth and I said Mr. Johnson was going to make arrangements for me to look at this booth. I didn't want to get into any difficulty about it. I don't know if I was inside the booth; I think I was up on top, not inside, but I was like on the outside of it. There is a few steps and that is where I was. I made a rough sketch of the booth. I was around it about three to five minutes. I don't remember much about what was going on. I was trying to take some measurements and I was inconveniencing them more than anything else. I mean, they were doing me a favor by allowing me to take a few measurements there. I would say the booth was seven by four, something like that; eight by four. There were two men inside the booth. They 119 were just sitting there when I came in. They were moving around, trying to get out of my way so I could take my measurements.

There was a money chamber there, a little drawer. I don't remember them counting out any money while I was there. I don't remember seeing people make visits to the booth. I would say that the booth was three or four steps off the main floor of the room—well, say, they were eight, two foot eight, probably three foot.

I later installed the same type of booth at the Bon Air.

Government's Exhibit O-9 and O-10 for identification are pictures of the Bon Air Country Club. That is the place that I have been testifying about here, where I supervised the construction work and did the architectural work.

This gentleman, Roy Love, whom I speak of having seen at the Bon Air in connection with the Lightning Construction Company, I recall having seen him at 4020 Ogden Avenue. I mentioned before that there were suggestions as to how the inside of 9730 Western Avenue should be finished and Mr. Gitzen mentioned the fact that I could get an idea of something of that nature at 4020 Ogden Avenue, and so I went there, and a gentleman opened, let me in, and I found out later that was Roy Love. I didn't know him at the time. I subsequently met him—I didn't know who he was at the time.

I also met him at a restaurant at Kedzie and Lawrence. Prior to this time, I have never stated that I did see him at 63rd and Cottage Grove.

Q. Now, until Friday of this last week what had you intended to say if called as a witness with respect to who gave you the currency to make the payments for the 120 construction and the alterations on the property at 9730 Western Avenue?

Mr. Thompson: If the Court please, we except to that speech, which isn't a question, and we object to the question.

The Court: Sustained.

Mr. Campbell: Well, I submit, Your Honor, that—very well.

Q. Have you at other times testified differently to what you have this morning?

Mr. Thompson: We object to that sort of questioning.

The Court: Overruled.

The Witness: Repeat that question, please.

(Question read as recorded.)

A. I have testified to a certain point as far as the payments were being made on Western Avenue in that I said that I received the money from Mr. Johnson, but in doing

so I didn't elaborate on it, because I felt that the payments were being made by Mr. Skidmore in Mr. Johnson's behalf. Does that answer your question?

I am now positive that the currency that I referred to on prior occasions didn't come from Mr. Johnson, but came from Mr. Skidmore.

Mr. Campbell: Q. Mr. Nadherny, will you describe the inside of the premises at 4020 Ogden Avenue?

Mr. Thompson: We object to that detail.

The Court: Overruled.

The Witness: I am sorry I can't help you very much, Mr. Campbell. I was only in there once and it was empty, so I can't tell you just what was in it. It was probably 75 feet wide, 100 feet deep, something like that. Mr. Love let me into the premises on that occasion, although, as I say, at that time I didn't know who he was. I went through one front door to get inside the room.

I was paid the sum of \$1400.00 as a fee by Mr. Johnson for the work I did for him in 1938 about which I have testified. Some I got at the Bon Air; whether I got some at the house, I can't say. I might have got one payment at the house. I think there were three payments; I refer to Mr. Johnson's residence at Downers Grove. Payments were made in currency. Fourteen Hundred Dollars was all of my fee; that was for the work I had done out there in connection with the highway, and so forth.

I received a fee of \$3600.00 for work that I did at the Bon Air in 1938. Johnson paid that out there in various payments in the form of currency.

I have been an architect since 1917. I keep a system of records with respect to my work or business. At the end of the year I have one sheet of paper. I mark down the expenses that I have and the work that I have. At the end of the year I transpose that. I have this little set of books; that is the records of my personal business. I didn't keep any record of the currency which I have testified about here. I didn't keep any record of any bills which they reimbursed me for.

Mr. Campbell: I wish to offer in evidence Government's Exhibit O-9 and O-10 for identification, which have already been shown to counsel, the same being—

Mr. Thompson: We object to the exhibits. They are nothing but pictures of a building. They can't prove anything in this case.

Mr. Campbell: They tend to clarify it.

122 Mr. Thompson: And immaterial to any issue in the case.

Mr. Campbell: Perfectly appropriate to introduce such testimony as that to clarify the testimony of the witnesses, particularly where it is a series of places involved.

The Court: Objection overruled. They may be received.

(Said documents so offered and received in evidence were marked GOVERNMENT'S EXHIBIT O-9 and O-10.)

Cross-Examination by Mr. Thompson.

I met Mr. Johnson through Mr. Skidmore. I have been doing work for Mr. Skidmore just a matter of months prior to meeting Mr. Johnson. I had never seen Mr. Johnson before until I met him at Mr. Skidmore's office, to talk over this 9730 Western Avenue. I would say it was early in 1937. My recollection is that it took about three months or so to complete the work out there at 97th and Western. As I recall, a portion of the money to pay the bills in that case were paid by Mr. Skidmore, and a portion of them by Mr. Johnson; and some of it was paid by Mr. Creighton who had some inside work done there. The plumber made certain provisions for a bar, piping and waste connections. There was a certain amount of work for the kitchen. I would say that was the gist of it. The building itself was just a shell of a building, just a garage construction. I don't know who supplied the improvements for use of the building and put in by Mr. Creighton; he just paid for that work that the contractors had performed in preparing
123 for that equipment. We had nothing to do with any equipment; Mr. Creighton paid for the structural work of the building which preceded the installation of the facilities. That job had been completed before I undertook any work at all on the Bon Air.

Following that year I started work on Mr. Skidmore's project; I would say that was the fall of 1937.

It was just a question of adding one room and a little porch to that little cottage on Pistakee Bay. That was, I would say, 1937. Most of this work that was done on Mr. Skidmore's country place out at Pistakee Bay and on his farm was in 1937, 1938, and I think some was even 1939.

The work that was done on Mr. Skidmore's Pistakee Bay property and also on his farm was all paid for by him. The work that was done on Mr. Johnson's farm out here at

Sunny Acres was all paid by Mr. Johnson. It was on these other properties where different people made different payments on it; there was an interchanging there.

I began work on the Bon Air property in March 1938 so that it would be completed by Decoration Day or thereabouts. Previous to the time I had been working there, that had been a country club property. I had been out there when it was a country club. My recollection is that it used to be the Columbian Country Club and they lost it. Some other interests had taken it over. I would say it was sold through foreclosure or a mortgage on the property. Nothing was said to me about the new owners purchasing it in 1938 when I went there to make these alterations. I don't know who handled the transaction or acquired the property; I don't know who owned the property. I have no idea whether it was owned by one individual or many individuals. I would say that all I know about Bon Air is what I have testified to. I have no knowledge of who owns the property or anything of that sort; it may be a corporation. I couldn't say who owns the thing.

I don't know what Mr. Wait's capacity was there at all. I saw him there considerably. He had a lot to say of the property; I would say he was about the place giving general supervision to its operation; that has been true ever since 1938 clear down to last Saturday night when I was out there. None of these defendants invited me to go out last Saturday night. I have always been there the opening day and closing night, and even though my child was at home with a fever, I got somebody to take care of her so that we could go out there and be there on closing night. Last Saturday night was the closing of the season for this country club; that is why I wanted to be there. I experienced that at various times—the opening in the spring and the closing on Labor Day. I had my wife there with me; we had dinner out there. We went out there to spend the evening. They had music and a floor show. My wife and I had dinner there and enjoyed this show.

125 During the course of the evening I passed the time of day with Mr. Sommers, and that is all. Mr. Johnson was not there until the very last—as I was leaving I chanced to see him. He was with a large group; I did not want to go up to the group. I did not speak to him nor he to me; he may not have seen me.

I saw the defendant Hartigan out there—I would say early in the evening; I don't believe he ever saw me. He

may not have seen me, I don't know. I did not go up and speak to him—I did not see him.

As I remember, Mr. Wait and I just met each other; I just walked into the cocktail lounge. Mrs. Nadherny was not with me in that room. While I sat down on one of the lounges there, Mr. Wait sat down with me a moment and chatted with me. We may have just passed a few remarks and then the subject of the case came up; how, I can't tell you. Mr. Wait just mentioned the substance, as I remember, that some of the testimony was false. He said that Goldstein testified falsely. He said that when Goldstein said that all of the money was paid over by him (Goldstein) directly from moneys given to him by Johnson, that was not so. I don't remember that part. As I remember, it was a very short conversation. I think Mr. Wait got up. Mr. Wait did not tell me to tell any particular story on the witness stand; he said that if I am put on the witness stand I should tell the whole truth; that is all he said. He did not undertake to influence the way I should testify, and this conversation took place right there in the open bar room.

There was no attempt to secrecy—to go off behind any
126 pillars. I didn't notice anybody in that room at the time this conversation was taking place; there may have been others in the room at the time, but I didn't pay any attention to it.

127 I mentioned that I talked to defendant Creighton last Saturday. My meeting with Mr. Creighton was a casual one, no appointment, or anything of that sort. He was just there and I happened to be there also. I have related all the conversation I had with Mr. Creighton the best I remember it. He did not tell me to testify to any particular thing. I think when Mr. Wait joined the conversation he again mentioned the fact about telling the truth, of facts. He did not tell me to, but he said—I think he spoke to Mr. Creighton and said that "Joe will tell all the facts in the case." Mr. Wait said that to Mr. Creighton in my presence. I would not say that I had talked to the U. S. Attorney a good many times about my testimony. The first time I would say was in last December. They had been in my office—I think it was Mr. Clifford, is the best I remember. No, Mr. Sommers was in first, the agent of the Department of Justice. I don't see him around here anywhere. This Mr. Sommers represented to me that he was a Government agent, and showed me his credentials. He talked to me about what I knew about this matter. I saw Mr. Clifford

after that—the gentleman over there with glasses, an agent of the Government. He showed me his credentials. The conversation was in my office, 1518 West Roosevelt Road. It is a mortgage house and I have desk space on the second floor. I would say that the first conversations with the Government agents were last December, '39. After I talked to these agents I was brought back to the Federal Building. I talked to Mr. Campbell, Mr. Miller, and I think Mr.

Plunkett. That is these three men who have been examined as witnesses here. I remember the one talk in

December. I talked with them an hour and a half, I would say. Then I appeared before the grand jury sometime after that—I do not remember exactly—I would say it was in December. The next contact I had with the Government Agents or attorneys I would say was within the last sixty days, after I testified before the grand jury. After that they talked with me again. They had me before the grand jury just once. I would say that I talked to them probably three times after I had testified before the grand jury. Those three times occurred in the last sixty days. The last time I talked to them was Friday. I discussed my testimony here in the court with Mr. Miller and Mr. Hurley, who are here as Government counsel. I talked with them probably half an hour. I talked to them this morning before I got on the stand—I would say probably nine thirty—they told me to report at nine thirty and I did, at the office of these men here downstairs. I talked to Mr. Hurley, Mr. Campbell and I think Mr. Miller was there part of the time. These are the same gentlemen to whom I have been referring.

Redirect Examination by Mr. Campbell.

I did do something between Saturday night, when I met certain gentlemen at the Bon Air, and this morning, about seeking advice with respect to the matter of my testimony. This thing has been—naturally I have been, it has been dwelling on my mind, and during the week I meant to see Mr. Kirkland who is a very good friend of the family, and, as I say, yesterday I had nothing to do, and I thought I would get in touch with him and see what he had to say, which I did. I wanted to talk the situation over with him and he advised me. I had mentioned the fact that I had received money from Mr. Johnson in the interpretation that it was—I had received it from Mr. Skidmore with the

129 interpretation it was coming from Mr. Johnson, and that that fact I had not elaborated on, and also about these extras that I had not mentioned, the fact that Mr. Creighton had given me some of this money, although my recollection is at the time I was testifying before the grand jury that question did not—I think you culminated my appearance at that point, if I am correct.

On last Friday I went over my proposed testimony with Mr. Hurley. I did not indicate to him that any of this money had come from Mr. Skidmore. I was still under the impression that it came through like an agency, so following advice of my counsel I came down to the building this morning with the intention of elaborating on those facts. Prior to this morning I did not at any time mention to any Government counsel that any of this money came from Mr. Skidmore.

I first met Mr. Creighton at 63d and Cottage Grove. Mr. Gitzen must have introduced me, because I met Mr. Gitzen there by appointment. I first met Mr. Wait at the Bon Air in 1938. I do not believe I ever met Mr. Hartigan, only by casual meetings. I probably started to say "How do you do" to him. I don't recollect any formal introduction to Mr. Hartigan. I saw him at the Bon Air for the first time. I never saw Mr. Kelly, Mr. Flanagan or Mr. Brown. I do not know whose writing is on the face of Exhibit J-3. I see it—it doesn't mean anything to me.

SAM YOSEEN, called as a witness in behalf of the Government, having been first duly sworn, was examined and testified as follows:

Direct Examination by Mr. Plunkett.

My name is Sam Yoseen. I live at 4300 Sheridan Road.

I am an interior decorator. I operate my business under the name Mid-West Drapery Company. I know the defendant, William R. Johnson about three years. I met him at his home, supervising the installation of draperies and furniture. Thereafter I had occasion to sell equipment to the Bon Air Country Club in the spring of 1938. I sold some equipment in 1939. Mr. Wait gave me the orders for the equipment that I testified I sold to Bon Air. I see Mr. Wait in the courtroom (indicating the defendant Wait.)

Referring to Government's Exhibits E-71 and E-72, for

identification, one of the aggregation of invoices and bills, of a total of \$18,387.65, paid on June 3, 1939, and the other invoices amounting to \$2,402.43 paid on June 28, 1939, those are my records made in the usual course of my business. It is the usual and customary course of my business to make such records. The total cost of the goods sold to Bon Air and defendant Ed Wait during the year 1939 is approximately \$21,000. I was paid for those goods and services by Mr. Wait and Mr. Geary. Mr. Geary was present at the time of the payment.

Mr. Thompson: If the Court please, it develops that this payment was by Mr. Geary, apparently on behalf of Bon Air Corporation. We object to it as not identified with any of these defendants, and it is, apparently, a duplication of the amounts from the books that were produced of Bon Air, showing the amount of moneys advanced, and apparently this is something all over again.

Mr. Plunkett: If the Court please, the books of the Bon Air that were produced do not reflect payments made during 1939. That is why we are proving these things.

Mr. Thompson: You have produced part of this for 1938.

Mr. Plunkett: You can look at the exhibits; there are no 1938 payments in there.

Mr. Thompson: It has been testified that Mr. Johnson advanced \$9,000 in 1939. That accounts for certain 131 expenditures. Now, they are proceeding to show that this corporation paid the money, whereas they have shown that Mr. Johnson advanced to that corporation \$300,000 in something like three years. Unless they can show that these payments by the Bon Air is something other than they have shown, it is manifestly duplication, but if it is expenditures made by that corporation, it is a different thing.

Mr. Plunkett: These expenditures do not appear on the books of Bon Air, if the Court please.

The Court: Overruled.

The Witness: Mr. Geary was present at the time of the payment. I was paid in cash two different days. The first payment was on June 3, 1939, in the amount of \$18,387.65. Mr. Geary counted the money and Mr. Wait was present. This took place in the office of the Bon Air Country Club. The second amount was paid by all cash, the same place, by Mr. Geary and Mr. Wait. I did have occasion to be present at a conference with defendant Johnson in the course of my dealings at Bon Air. Mr. Wait and Mr. Davis

were present. This conference took place in the spring of 1938. We submitted samples for draperies and furniture—also submitted a price. Mr. Johnson was informed of that price in my presence. He thought it was more than he wanted to pay for that particular item.

Mr. Plunkett: If the Court please, the Government will offer in evidence GOVERNMENT'S EXHIBITS 71 and 72. I submit them to counsel.

Mr. Thompson: If the Court please, we object to the documents. They have already proven the amount of the payments and the date of the payments. If they are material at all, the documents are a mere duplication, encumbrance of the record, and confusing; also the defendants are not bound by them.

Mr. Plunkett: They corroborate the entire testimony of the witness, if the Court please. He has testified they are his own records, made in the usual course of his business.

132 Mr. Hess: As far as the other defendants are concerned, we object on the ground that they do not apply to them at all. The documents purport to be amounts against the Bon Air Country Club Corporation. Their names are not mentioned in any way.

Mr. Plunkett: It does not say anything about the corporation.

Mr. Hess: Well, it is proved here that it is. The merchandise is merchandise one of the officers bought, with which my seven clients are not connected.

Mr. Plunkett: One of them is.

The Court: What do you say about the defendants other than Mr. Wait?

Mr. Plunkett: Well, we are willing that the testimony be admitted subject to later being connected with the defendants you complain of.

Mr. Hess: All right. That is all I can say on that point.

The Court: They may be received.

No cross-examination.

H. E. ANDEBSON, called as witness on behalf of the Government, having been first duly sworn, was examined and testified as follows:

Direct Examination by Mr. Hurley.

My name is H. E. Anderson. I live at 6940 Overhill Avenue, Chicago. I am connected with the Narowetz Heating and Ventilating Co. I have been with that company fourteen years and have been treasurer about five. I had occasion to install certain equipment at the Bon Air Country Club in the year 1939. The equipment was kitchen exhaust ventilating system. We also did the sheet metal duct 133 work for the air conditioning system for the Air Comfort Corporation. That was the early part of 1939. That ran about \$2,000.

Government's Exhibit E-77, for identification, is our ledger sheet of the Lightning Construction Company. That record is kept under my supervision and direction. The entries appearing thereon are made at or about the time the transactions took place, and they are true and correct. The exact amount paid for the installation of this equipment that I spoke about is \$2,258. and I do not recall the pennies there. That amount was received by me in payment of the installation of this equipment. The first payment of four hundred and seventy-five, I believe, was paid by check to the Lightning Construction Co. The balance was paid in currency. I received the money from Mr. Geary at the Bon Air Country Club. I do not know what he was doing there. He was in a kind of a business office there—kept some kind of a record of some sort. I do not know where he got the money that he gave me—he handed it to me. The office is located on the second floor of the Bon Air. Nobody else was there when Geary gave me that money.

I met Roy Love at the Bon Air Country Club. He seemed to be supervising some work around there, around the swimming pool at the time I met him. I only saw him there once.

I believe I talked with Mr. Nadherny, the architect, first, and he perhaps met Geary at the building and referred me to him.

Mr. Hurley: I offer in evidence at this time, if the Court please, GOVERNMENT'S EXHIBIT E-77, which is marked for identification.

Mr. Thompson: We object to these documents as no proper foundation having been made for the reception in evidence.

The documents seem to be billings to the Lightning Construction Company and a ledger sheet which I suppose is a duplicate of all those individual bills attached to it. It 134 appears to be no connection with these defendants, outside of the issues in the indictment, outside of the scope of the bill of particulars furnished.

This is certainly an encumbering of the record with a lot of duplication. The witnesses testified to the summary and the Court can see here that the ledger sheet is a complete duplication of the documents attached to it, and confusing and likely to constitute a doubling up of amounts spent here.

We further object on the ground that the Bon Air Corporation's books which have been put in evidence include these amounts in the amounts indicated there as having been spent.

The Court: Objection overruled. They may be received. (Said document so offered and received in evidence was marked E-77.)

No cross-examination.

JOSEPH J. RADOMSKI, called as a witness on behalf of the Government, having been first duly sworn, was examined and testified as follows:

Direct Examination by Mr. Hurley.

My name is Joseph J. Radomski. I live at 2257 West 23rd Place. I am an accountant and income tax counsellor. I know the defendant, William R. Johnson. I see him here in the courtroom. I know these other gentlemen I see in the courtroom, Mr. Creighton, Mr. Wait, Mr. Kelly, Mr. Sommers, Mr. Flanagan, Mr. Hartigan and Mr. Mackay. I did have certain books and records of the Sunny Acres Farm in my custody. I had a meeting with Mr. Clifford in connection with that—I believe about May, 1939, at 523 South Green Street, my office there—and I also worked there. I talked to Mr. Johnson before I saw Mr. Clifford at my office. He says Clifford wants to see the record given 135 to him. Subsequent to that I met Clifford. I believe I had the summary sheets, my work sheets and the books

of the farm at my office, black books, large books, approximately 15 inches square or more, regular cash book size. There were two cash receipts and disbursements. Besides I had work papers. I had invoices besides the work papers and the books. I could not tell you how many—whatever were entered in the books. They were Mr. Johnson's—they were the records of Sunny Acres Farm. When Mr. Clifford came there we went over the books and when he wanted to ask me a question I answered him. He checked them. I believe he transcribed them, or made some reports of some kind. I had charge of the records. I made the entries in those books. The work sheets were made up by me. To my knowledge those entries on those documents were true and correct as I made them. I didn't find anything wrong with those entries after that. After Mr. Clifford was through with them I took them back to Mr. Johnson's farm. They have since been out of my control. These books were turned over to the defendant Johnson. The work sheets and bills were turned over to the farm office, where they were put. That was his office there at the farm, known as Sunny Acres Stock Farm, located at Lombard, Illinois. I have seen the defendant Johnson at that farm. I believe it was one of his places of residence. I know the signature of William R. Johnson. The name on the back of page 2 of Government's Exhibit R-13 is William R. Johnson's signature. I would not know if that is William R. Johnson's signature on Government's Exhibit R-6. I do not know that signature on Government's Exhibit R-7. I do not know whose signature appears on the lower right-hand corner of Government's Exhibit R-8. I do not know whose signature that is appearing on the lower right-hand corner of Government's Exhibit R-9. I do know the signature appearing in the lower right-hand corner of Government's Exhibit R-10—it is the signature of William R. Johnson.

I saw him place the signature there. I know the signature appearing on Government's Exhibit R-11 is that of William R. Johnson—I saw him sign it. I do know the signature appearing on the back page of Government's Exhibit R-12. It is William R. Johnson's. I saw him place his signature there. I had seen John M. Flanagan sign his name. Mr. Flanagan placed that signature on Government's Exhibit R-46. That is the said Flanagan I pointed out here in the courtroom. He placed that signature thereon in my presence. The defendant Flanagan's signature appears on Government's Exhibit R-47, for identification. I

saw the signature placed there by Flanagan. I prepared the returns, Government's Exhibits 46 and 47. Flanagan's signature appears on Government's Exhibit R-48. I saw him write it on there after I prepared that return. Flanagan's name appears on the reverse side of Government's Exhibit R-49. It was placed there in my presence. I made that return. E. K. Wait placed the signature on Government's Exhibit R-82 in my presence. I prepared that return. Mr. Wait signed Government's Exhibit R-83, for identification, in my presence. I prepared that return. I wouldn't know whether or not defendant Wait's signature appears on Government's Exhibit R-84, for identification. I did not prepare the return. I have seen him sign his name on numerous occasions. Government's Exhibit, R-83, for identification, the signature of E. H. Wait on Government's Exhibit R-83, for identification, and Government's Exhibit R-84, for identification appear to be the same signature. The signature on Government's Exhibit R-85, for identification, looks to be the same as the signature on Government's Exhibit R-83, but I did not prepare that return. I know the signature appearing on Government's Exhibit, R-54 for identification. That is James Hartigan, whom I have pointed out here in the courtroom. The return was prepared 137 by me, and the signature of James A. Hartigan placed on this document in my presence. The signature of James A. Hartigan was placed on Government's Exhibit R-55 in my presence, and is the signature of James A. Hartigan. I prepared that return.

The signature of James A. Hartigan on Government's Exhibit R-56, for identification, is that of defendant Hartigan here, and was placed on there in my presence. I prepared the return. The signature of James A. Hartigan was placed on the reverse side of Government's Exhibit R-57, for identification, in my presence, by Mr. Hartigan, who I have pointed out here. I prepared that return. The signature of Reginald E. Mackay was placed on Government's Exhibit R-26, for identification. That is the same Mackay I have pointed out here in the courtroom. That return was prepared by me. That is the signature of Reginald E. Mackay on Government's Exhibit R-27, and was placed there by Mackay in my presence. I prepared that return. The signature of Reginald E. Mackay was placed on Government's Exhibit R-28, for identification, in my presence, and was written on there by defendant Mackay.

The defendant Jack Sommers wrote his name on Government's Exhibit R-39, for identification. I prepared that return. That is the same Jack Sommers I pointed out here in the courtroom. Jack Sommers' signature appears on the reverse side of Government's Exhibit R-40, for identification. I prepared that return. Sommers placed his signature on there in my presence. Signature of Jack Sommers appears on Government's Exhibit R-41, (the reverse side,) for identification. Mr. Sommers placed his name there in my presence. The name of Jack Sommers is written on the back of Government's Exhibit R-42, for identification. Jack Sommers placed his name in my presence. I prepared the return.

The name of A. J. Creighton was written on Government's Exhibit R-62, for identification, in my presence, by

Mr. Creighton, whom I have pointed out here in the 138 courtroom. I prepared the return. The name of A. J.

Creighton was written in my presence by A. J. Creighton on Government's Exhibit R-63, for identification. I prepared the return. The signature of Andrew J. Creighton appears on the reverse side of Government's Exhibit R-64 for identification. It was placed on there in my presence. I prepared the return.

I prepared the return, government's Exhibit R-17. I saw the signature of W. P. Kelly, the defendant that I pointed out here, placed on that document. The signature of William P. Kelly appears on Government's Exhibit R-18. It was placed there by William P. Kelly in my presence. I prepared the return. "William P. Kelly" appears on Government's Exhibit R-19. William P. Kelly placed it there in my presence. I prepared the return.

Respecting Exhibit R-13, the income tax return for the calendar year 1939, I received the figure \$256,710, appearing on the first page of the form, from Mr. Johnson. He did not furnish me any books showing how that figure was arrived at. He put it on a piece of paper, that one figure, and gave it to me, and that is the figure I put on there. The schedule which shows the source of income appearing on the return, Government's Exhibit R-13, was filled out by me on this return. "Source of income," speculator and farmer. Mr. Johnson gave me the figure opposite the line, "State income from business or profession," showing it to be \$103,265.70. Government's Exhibit R-12, the return of Johnson for 1938. I did not examine the books and records. He gave me that figure on a piece of paper. He said

"That is my income for the year 1938." I filled out the schedule showing the source of income "Speculator, \$106,400." I got the figure, \$255,240.07," which is opposite the line showing "Income from Business or Profession, Form Schedule D," Government's Exhibit R-11, from Mr. Johnson. There were no books or records submitted in connection with that figure. I got that figure on a piece of paper. He said "that is my income" when he handed it 139 over to me. I believe I got the figure, \$145,165.70," appearing opposite the line which shows net profit from business or profession from Schedule A of Government's Exhibit R-10, income tax return for defendant Johnson for the calendar year 1936, on a piece of paper. This figure here, I believe, was written on the paper, \$148,300. I did not examine any books or records with reference to the figure. He just handed me a slip of paper with the figure on it. Regarding those figures you called my attention to, Johnson told me he earned that money gambling. He did not say anything else.

Mr. Hurley: At this time, if the Court please, I would like to offer in evidence, GOVERNMENT'S EXHIBIT R-82, for identification and R-83, for identification, being income tax returns for the defendant E. H. Wait, for the years 1936 and 1937.

I also offer in evidence GOVERNMENT'S EXHIBITS R-46, 47, 48 and 49, returns of the defendant Flanagan.

I also offer in evidence returns of the defendant Kelly, which are GOVERNMENT'S EXHIBITS R-17, 18 and 19.

The defendant Hartigan, GOVERNMENT'S EXHIBITS R-54, 55, 56 and 57.

The defendant Creighton, I offer GOVERNMENT'S EXHIBITS R-62, 63 and 64.

Defendant Mackay, GOVERNMENT'S EXHIBITS R-26, 27 and 28.

As to the defendant Sommers, GOVERNMENT'S EXHIBITS R-39, 40, 41 and 42.

Mr. Hess: I would like the privilege of examining the witness on some of these, after which I will wish to present any suggestions I have by way of objections.

The Court: Very well.

Mr. Hess: I would like to see these papers.

I am not a public or certified accountant. I have been in that line of business five or six years, mostly income taxes, tax counsellor, federal and state tax. I have been with the Revenue Department, I believe from 1927 to 1935. I quit the Government and went into the business of accounting in connection with income taxes. I believe I am familiar with the making out of income tax returns and the requirements of the Department in connection with those returns. I prepared these returns with respect to which I testified as an accountant. Then I certified that I did that. That is my name at the bottom of Exhibit R-39, with reference to Mr. Sommers, certifying that I was the accountant who prepared that document. Wherever my name appears on all of these documents I have testified to I prepared them as an accountant and certified to them in that fashion. As a former revenue man I know the contents of this certification. To my knowledge, wherever I certified to these returns, that certification was true. I would not certify to an income tax return to a government department where I had been employed unless I knew that what I certified was true as an accountant. I believe I left the Government in 1935. The first return I made for any of the gentlemen I identified I believe was Mr. Johnson, and I believe in 1936. When I said on direct examination that I prepared these returns I mean that the pen and ink writing on the form is my writing.

Now, I want to lodge my objections as to R-26, 27 and 28 purporting to be a tax return of the defendant Mackay. I object to those on the ground that there is nothing mentioned in the bill of particulars about the filing of returns by Mackay as aiding and abetting under this indictment.

As to the others which I will have to recite—R-62, 63, and 64, being for Creighton for 1937, '38 and '39, I object on the ground that nothing appears here that they were filed for any purpose whatsoever to aid and abet Johnson in the attempted evasion and defeat of his tax.

The same objection to R-46, 47, 48, and 49, Flanagan, for the same reasons that I stated as to Creighton.

54, 55, 56 and 57, Hartigan, for the same reasons that I stated as to Creighton.

39, 40, 41 and 42, Sommers, for the same reasons that I gave to Creighton.

82 and 83, Wait. The same reasons that I gave as to Creighton.

There is nothing in the evidence so far from which it appears that the filing of these income taxes as stated by these gentlemen was other than filed in the regular course of business; had no connection or anything to do whatsoever with aiding or abetting of Johnson's attempted evasion of his taxes for the years 1936 to 1939.

Mr. Callaghan: The further general objection, if the Court please, they are all immaterial to the issue involved here in this lawsuit.

Mr. Hess: The bill of particulars on Mackay commences at Page 62, and up to Page 65, nothing is said about these returns in that.

Mr. Campbell: Paragraph 5 of the bill of particulars does refer to Mackay, your honor.

Mr. Hess: Part 5?

Mr. Campbell: Yes. I think Paragraph 5 of the bill.

The Court: What page is that on; do you know?

Mr. Callaghan: Part 5 of the bill begins on page 10. I am certain there is no reference to Mackay nor income tax returns filed by the defendant.

Mr. Campbell: Part 6. I was in error. Part 6 142 of the bill names Mackay, at the top of it.

Mr. Callaghan: Where does it charge in any part of the bill that Mackay filed income tax returns as an aider and abettor?

Mr. Hess: Has your Honor come to that point they raise there on Page 13?

The Court: Yes. I am reading it.

Mr. Hess: It says, "False and fraudulent income taxes," referring to Johnson's; not aiders and abettors as charged in the first four counts of the indictment. Those are not ours.

Mr. Campbell: May I make a general observation at this point, your Honor?

The Court: Yes.

Mr. Campbell: With respect to all of these returns offered here, these various individuals—as the McNeil case said, your Honor—I think it is 84 Fed. 2nd—I think it was the McNeil case—containing a charge in there of a similar nature to that here, when the Government offers any testimony, it undertakes the responsibility of connecting it up at the end of all testimony, so that when all of the

testimony is in, your Honor can determine from the pertinent facts whether there is that connection.

With respect to each of these returns, I submit that an examination of them will not show that the income reported by the various defendants—that the source of that is not contained in any of these returns, whereas the law says they shall file returns, stating particularly the source of the gross income.

It is our position that by filing this type of return, it tended to conceal the true source of their income, thereby aiding and assisting the defendant in covering up.

Mr. Hess: If the aiders and abettors here are being charged with—

Mr. Campbell: I submit that the time to pass on any of the Government's testimony is to see whether there 143 is any connection.

Mr. Hess: I think the time to pass upon any exhibit is at the time your Honor is in better position to consider it, and we are in better position to submit our theories.

The Court: You may take a short recess, ladies and gentlemen.

(The following proceedings were thereupon had out of the presence and hearing of the jury:)

Mr. Hess: Now, the Government set out, among other things, that their means of aiding and abetting was the filing of certain income tax returns for the years 1936, '37, '38, and '39, but as to Mackay, your Honor, no mention is made of that at all.

Mr. Campbell: As to the bill of particulars itself, I admit there was no statement contained that he had filed these returns. It was inadvertent, I suppose, but paragraph 6 does make a general statement with respect to all of the defendants; that they managed and operated various gambling houses for the defendant Johnson, concealing the true source of that ownership, and it is evidence tending to show that allegation, and it becomes proper under the bill.

Mr. Hess: We might just as well not have a bill of particulars, if they are going to stretch the meaning of the words in Part 6, on Page 13. Certainly, your Honor, the words mean that the operation of gambling houses was effected so that Johnson could file false and fraudulent returns, but not that he would file them.

The Court: Well, I think paragraph numbered 6 of part 6—

Mr. Hess: Paragraph 6, your Honor?

144 The Court: Yes. Now, what other points are made? What were the points made on Creighton?

Mr. Hess: On Creighton, which I have adopted as to all of the others and repeated later, were that it does not appear that these others which I have mentioned, including Mackay, were other than returns filed in the regular course of business and there is nothing so far in the evidence to in any way connect the filing of these documents as constituting an act of aiding and abetting of Johnson in the attempted evasion of his tax.

The Court: I think there is something in what you say but the exhibits will be received and if they are not connected up, why, they will either go out or there will be a directed verdict.

Mr. Hess: All right.

(Thereupon GOVERNMENT'S EXHIBITS R-17, 18, 19, 26, 27, 28, 62, 63, 64, 46, 47, 48, 49, 54, 55, 56, 57, 39, 40, 41, 42, 82 AND 83 were received in evidence.)

Cross-Examination by Mr. Thompson.

Some of these returns of Mr. Johnson's, on which I said I could not identify the signature, were the returns that were not made out by me, and I meant by my statement that I did not see him sign them and therefore could not know for sure whether that was his signature. As to the returns prior to 1936, identified as R-6, R-7, R-8 and R-9, none of those were made out by me. Looking at those they look like they might be the signature of Mr. Johnson notwithstanding I did not get to see him sign them. They look like it. I made out the returns for the years 1936 and subsequent thereto, R-10, 11, 12 and 13. As to all of those returns I saw Mr. Johnson sign the returns and therefore know he signed them. The first return that I made out for Mr. Johnson

was one for the year 1936, which I made out in the 145 spring of 1937. The first item up there, "Net profit from business or profession, \$145,165.70"—that was made out from information furnished to me by Mr. Johnson. He handed me a piece of paper on which he had that result, and told me that was his income from gambling that year. But there is a correction. Here is the amount that he gave me here, the amount that he scheduled was \$148,000, which included some deductions here which brought it down to \$145,000. The amount that he gave me was \$148,300, and

some expenses of \$3,134.30 indicated on here. Deducting that left this net of \$145,165.70, to which I first referred. Mr. Johnson gave me both of those figures, the gross of the income and the expenses that I was to deduct. He gave me those other figures, "Automobile used in business partly, etc.". He gave me those figures "Real Estate Taxes". And if interest paid on his loan up there on the Dearborn and Division Building appears on there he gave me those figures. In other words, all the figures that are in this return were furnished to me by Mr. Johnson.

With reference to the detail on the Lincoln Park Building, those records were computed by somebody else and furnished to me. I recollect that he got those figures compiled from his former accountant, I believe. That is the man who made out these others, known, so far as I know, as Mr. Brantman. They were brought in to me, and from the information brought to me I compiled this income tax return as I understood it, according to the requirements of the Department of Internal Revenue. There is nothing in there about Sunny Acres Farm in that return for 1936. There is nothing in there about Bon Air Country Club for 1936. I don't know if he had a farm in 1936. The first information he reported to me regarding the Sunny Acres Farm was in the year 1937, referring to R-11, the return for 1937, and the return for 1937 shows the results of the operation of that farm. There is a schedule attached. I kept the 146 books out at the farm. Mr. Johnson employed me to set up the books and keep them out there. I was out there personally. He did not give me any instructions about how to keep these books out there at the farm. I followed my own system in keeping the accounts of the Sunny Acres Farm. I did not suppress any facts regarding the operation of that farm. I reported the truth as to all expenses and receipts of that farm and the books that were kept at the farm were kept by me. There were no instructions from Mr. Johnson to monkey with books and when I came to make out his income tax return I made the return truthfully, from the books which I had kept at the farm. The books, as reflected in this income tax return, just show the operation of the farm, receipts and disbursements, currently. If he sold any cattle or hogs or poultry or dairy products I put it on there as receipts and if he bought any cattle for feeding purposes I put the cost of the cattle and the cost of the feed on the books. The cost of the cattle would be capitalized.

I capitalized that. When he sold the cattle, whatever the difference was between the purchase price and the selling price, less the cost of feeding them and less the labor of feeding them was the profit, and that was what I reported. There is no mystery about the Sunny Acres books or reports. It shows on this that Mr. Johnson, in the income for 1937, had some interest on some loans that he had outstanding. He received \$2,065 interest on these outstanding loans. I do not know how long these loans had been outstanding or anything about them. I got the figure from Mr. Johnson. "Rents received, \$16,461.63" appearing on the return are shown by the schedules as the net of the rents received. The schedule attached shows the gross receipts, and then when the necessary deductions are made this is the final result. The necessary deductions, depreciation, etc., taken off. I believe, in round figures, the gross rent was \$42,000 here before we took off for depreciation. The 23,000 or \$25,000 that we took off was expenses and deductions. It all appears right on the return, for the year 1937. The source of the \$258,375 that appears on the front page does not happen to be specified on here.

From my experience in the department of Internal Revenue of the United States Government, the returns were accepted without specifying the name of the business, and I made this out in accordance with the practice which I have followed in my seven years with the Government service. I was working in the Internal Revenue Department here in Chicago.

The figure of \$258,375, which were total receipts from the business or profession, was the gross amount reported to me by Mr. Johnson, and then there were deductions of \$3,134.30 for expenses, leaving a net of \$255,240.70, which is the item that I have got on the front here. The loss of \$26,023.41 is on the farm. On the farm he lost, and on gambling he won, according to his report to me. In 1938 Mr. Johnson still reported interest on loans and also rents on property owned. He designated on that return that he was a "Speculator". He made \$106,400, less deductions \$3134, making \$103,265.70. He told me he made that money shooting craps, gambling. I would say I designated it as "Speculator". I believe I indicated to him that that was quite all right for him to indicate that as speculating, and I put the word "Speculator" in there. Mr. Johnson did not put it in there. He lost \$22,414.42 on his farm that year.

There is a schedule attached, showing the process by which I arrived at that loss, and that shows that he bought and sold and fed, and otherwise carried on the usual things that you do on a farm. That includes depreciation also. Depreciation taken was \$8,352, so that the actual cash loss from operating on the farm was about \$14,000. Depreciation was not a cash item—it was a bookkeeping item. That is a reduction in the amount of capital that a man has 148 at the end of the year. It does not take any money to take care of the deduction except as a bookkeeping entry. These figures with respect to Sunny Acres were taken right off the books that were kept out there at the farm, and they are true and correct. I truthfully kept the books, as far as I know. Mr. Johnson never told me to keep them any other way except true. No other defendant, as far as I know, has any connection whatever with Sunny Acres farm. I do not know of anybody, to my knowledge, that had any connection with it except Mr. Johnson. The 1939 return correctly reports what Mr. Johnson reported to me. He reported interest on loans as well as rents received from the property owned, and those figures were all supported by schedules attached to the return. I did report on the property at Dearborn and Division. I got my information from the returns of the expenses and receipts of the General Mortgage Co. They were the managers of the property. Mr. Johnson told me where to get my information from that building. He reported to me that he made \$256,710.00 in his other business that year. I would say it is the net. That would be the gross also. For that particular year he didn't take any business expense in that particular field of business. There is an expense item on the return of \$950. It is accounting expenses. That is accounting for making up his returns and otherwise keeping his books. It is not deducted from the gross income item, but it is shown here in the deductions. I deducted it from the totals of the several grosses and nets there on the first page. I indicate on the 1939 return that his business was speculator and farmer. The farm showed a loss of \$27,441. after depreciation. The amount of depreciation was \$7100., so that there is about \$15,000. net loss from farm operations that year. I would say there is approximately 800 acres out there on that farm. The general character of the business that Mr. Johnson carries on at Sunny Acres is raising stock.

He buys and feeds and breeds cattle and also raises 149 cattle. He runs a dairy out there, sells dairy products.

He also runs a poultry farm out there—sells dressed poultry. The item of return for dressed poultry for 1939 was \$7,079.80, sold off the farm in that year.

I have known Mr. Johnson quite a while. I have worked for him in 1927, prior to the time of my going with the Government. I did not seek his business of making out the returns after I went back in private practice. He came to me. I do work for other people besides these defendants. I make out income tax returns for other clients. I would not say I keep books and records for them. I do not have anything to do with keeping accounts for other people besides Mr. Johnson out there at Sunny Acres. I have something to do with sales taxes, gasoline taxes, unemployment taxes and social security. I do have clients that I serve in connection with these reports that must be made to the state in payment of excise taxes.

Redirect Examination by Mr. Hurley.

I worked for the defendant Johnson in 1927 at the Lawn-dale Kennel Club Dog Track. I worked there as long as they operated—I believe three or four months. Mr. Wait was with Mr. Johnson on that dog track. That is the defendant Wait here. I done the book work, checks, and so forth, out there. I had charge of all the books. There were no other accountants there besides myself, to my knowledge. There were no figures on the farm books showing income from gambling. All of these schedules that I have referred to, so far as they are concerned, they show only the buildings and the farm. There is no schedule about where this \$258,000. in 1939 came from. There were no records submitted to me such as I have at the farm, to get that income figure—the piece of paper I have described—no books and records, no cash books or receipts and disbursements on

that item, just a sheet of paper showing the amount, 150 with the amount written on on there by Johnson. I

did make the returns of Creighton, Sommers, Hartigan, Wait, Flanagan, Kelly and Mackay. The figures that are shown on there were the figures that were given to me by the different men that I have named. That was the only information I had so far as that information was concerned—was what those taxpayers that were making those returns told me. I had no discretion in making those returns.

I got the item \$3,134.30 on Government's Exhibit R-10 right off this attached schedule. That includes an auto used in business and business expense. That is for the year 1936. The same auto expense is shown on Government's Exhibit R-11. The amount is \$3,134.30, the same as the year before. Line 16 on Government's Exhibit, R-12, running, repairs and other expenses, item \$3,134.30, the same figure that is shown on the previous return, that amount is deducted from the income shown as speculator, \$106,400. '39 is the year that shows that income to be \$252,720.53. That was given to me in a figure. He told me it was from shooting craps—I do not know if he stated exactly in those words. It was gambling—he did not tell me where he gambled. He did not say whom he gambled with. All he told me was that it was income from gambling. I prepared the returns in evidence of the defendants Creighton, Hartigan, Sommers, Kelly, Flanagan and Wait. I believe Creighton called me to prepare his returns. He had not known me before he called me. He called me up and said he wanted to see me. I called him up. He left his number and told me he wanted to see me. I did go to see him. I went to 63d and Cottage, I believe. It was a gambling place. I went to the second floor, a gambling establishment. There were crap tables and card tables there. I did not stay long enough to see anything else. I did not say anything about who recommended me. I did not say anything at all about how he happened to call me. He asked me to make up the 151 return. We sat down and made it up. I made the return right there—I could not say how long it took—I would say about an hour or so. I believe the defendant Sommers called me to prepare his return. I had not known him before he called me. If I remember right, I believe I first filed a return for Creighton in the year 1937. When Sommers called me he left a number. I called him. He wanted to see me. I saw him at Lawrence and Kedzie. There was a gambling establishment out there. I saw Sommers at the gambling place. There was gambling equipment there in that room that I went into. There were card tables, crap tables and roulette, I believe. Sommers did not say who told him to call me about this return. I did not ask him. He did not mention the name of any one who recommended me to prepare the return. I went in and met him. I made out his return. He furnished whatever records he had at the time I made it out. I believe there are

some restaurant records in that case. He gave me the restaurant records—I do not think any other records. The name of the place out there was the Horse Shoe. I was out at the Harlem Stables, I believe, making out returns for a couple of the boys there. Hartigan saw me doing it. He came over. This was at the Harlem Stables. I had not met Hartigan before that. He did not call me up and ask me to come out there. A couple of boys I saw out there asked me to make up their returns—I do not remember what their names were—they were employees—this was in the Harlem Stables. I go out there once in a while—I just happened to be out there. Somebody asked me to prepare an income tax return. A couple of the boys out there asked me to make up their returns. I had what records he gave me—I can't recollect what records he gave me—I do not think a regular set of books, although if I see the return maybe I can recollect. Government's Exhibit R-54, 55, 56 and 57 were from figures given by him—just one figure as to the income.

152 I testified that I prepared the defendant Flanagan's returns, Government's Exhibits R-46, 47, 48 and 49. Mr. Flanagan gave me a call on the telephone. I had known him casually before that. I called him with reference to that telephone call. He said he wanted to see me. I saw him after that at 4020 Ogden Avenue. I believe it was a gambling house. It was on Ogden Avenue I know that. We went into his room there and sat at a desk. This happened to be in the morning. I don't know how much was in the room. There was everything like a regular bookie joint—nothing else that I noticed. I believe the first return I prepared for Flanagan was in 1936. I do not think I ever prepared any return for Flanagan before that. I prepared his return when I went into this room at 4020 Ogden Avenue. I prepared it from figures he gave me. He did not submit any books or records. He put some figures down there and said, "Here it is. Here is what I made". He put down one set of figures, I don't know where he got them. I did not have any work sheets I used in preparing his returns, and that is true of the years '36, '37, '38 and '39, all of those returns prepared for Flanagan. As stated, I prepared those returns at 4020 Ogden Avenue. I believe it took me about three-quarters or a half hour. There were three copies to be made. The figures I placed on these returns, Government's Exhibits R-46, 47, 48 and 49, are re-

turns for the years '36, '37, '38 and '39, were supplied 153 to me by Flanagan. I could not tell you how large the paper was Flanagan gave me, from which I prepared the return. I could not recollect whether it was an ordinary sheet of writing paper, but everything that was on this return was on the paper that Flanagan gave me. That is true of all the returns, the ones for '36, '37, '38 and '39. The same procedure was followed each year. I made the return for 1937 at the same place, I believe 4020 Ogden. It took me the same time, about a half hour or three-quarters. I obtained the figures on Government's Exhibit R-47 from Mr. Flanagan.

Mr. Thompson: If the Court please, I am objecting to this testimony that has been going in about these particular returns. I thought maybe he was going to make some connection. I object on behalf of Mr. Johnson to any testimony regarding the making up of returns of the other defendants; no connection with Mr. Johnson, showing that he had any relation to it.

The Court: I am receiving it on the understanding that it will be connected up.

The Witness: I prepared Government's Exhibit R-48, income tax return for Flanagan for 1938, I believe at the same place, 4020 Ogden. I obtained the figures placed on that return from Mr. Flanagan. The figures were on a piece of paper of some kind. The figures placed on that return by me were the figures given to me by Mr. Flanagan.

I prepared Exhibits R-17, R-18 and R-19 of William P. Kelly.

Mr. Thompson: If the Court please, so I will not be required to interrupt, may my objection on behalf of Mr. Johnson as to all of these other individuals' returns stand without repeating it?

The Court: Yes.

The Witness: Mr. Kelly called me to prepare Exhibit R-17, income tax return for the year 1937. I had known 154 Kelly before that, since about 1927. I first met him at the Lawndale dog track I spoke of before. Mr. Kelly called me on the 'phone at home. He wanted me to come over and see him. After that 'phone call I believe I went over to Dearborn and Division. I went into a building there and saw Mr. Kelly. He talked to me at that time. He asked me to prepare the return. I did prepare a return there at that time for Mr. Kelly. I got the information to prepare

that return from him. I believe he marked it on a piece of paper. He did not submit books and records to me from which to prepare the return. All the figures on Government's Exhibit R-17, being the individual income tax return for W. P. Kelly for 1937, were obtained by me from Kelly. I believe Government's Exhibit R-18, individual tax return of William P. Kelly, 1938, was prepared at the office I was working at. He got in touch with me with reference to preparing that return. He said "I am ready to get my return made out. I want my return made out". He met me at the office, 523 South Green. It took me about a half an hour or three-quarters to prepare that return. I got the information with which to prepare that return from him. I believe he marked it down there—he had a piece of paper of some kind. There were no books or records he submitted from which to prepare the return. The figures and the information contained on that return was information that I received from the defendant Kelly. I believe I prepared Government's Exhibit R-19, the individual income tax return of William P. Kelly for 1939 at his home. He got in touch with me. He says, "I want to come over. I want to make out my return." When I went to his home to prepare the return he gave me the figures—I do not know what form, but they were probably on a piece of paper, and there were no books or records from which to prepare the return. All the figures and the information contained on that return, Government's Exhibit R-19, were obtained from Kelly.

155 I prepared Government's Exhibit R-27, the return of Reginald E. Mackay, for the year 1937. Mr. Mackay got in touch with me at my home. He said he wanted to see me. I had not known Mackay before that. When he called up he asked me to come over, down to his place of business. He told me who he was—he said, "It is Mr. Mackay", and to see him over at a certain number. I do not remember exactly the number, but I know it was out on Milwaukee Avenue near Cicero. I did not know the name of the place. My recollection is that the building is a sort of a bank building. I know now that it is the old Portage Bank Building. I saw Mr. Mackay when I went into that building. He took me into his office and made out the return. I went through the first floor room to get into that office. I did not see much in that room, no action or anything like that. I did not see nothing there—it was an empty room—some sheets hang-

ing around there and boards—horse racing sheets, I believe. I did not see anything else. I did not go into any other room there than that room I described, and the office. I did have a conversation with Mackay at that time. He says, "Prepare my return"—I don't just recollect whether he had any books or records there. I prepared the return from whatever information he gave me. The figures and information contained on Government's Exhibit R-27, being the income tax return for Reginald E. Mackay for 1937, were supplied to me by Mackay.

I believe I prepared Government's Exhibit R-28, the income tax return of Mackay for 1938, at the same place, the building that I have described at Milwaukee and Cicero. I received the information and figures contained on Government's Exhibit R-28 from Mr. Mackay. I do not know just what form that information was in—it must have been on some form. I don't think they were verbal. There were no books or records submitted to me from which to prepare the return.

156 Referring to Government's Exhibit R-26, being the income tax return of Mackay for the year 1936, line 1, "Salaries, wages, commissions and fees", the writing "Various establishments, \$5,475.00" he said that is what he made working at different places. I don't remember if he told me what the places were—I don't think I asked him.

With Government's Exhibit R-82, the individual income tax return for the year 1936 of the defendant Wait, I believe was prepared at his home. He got in touch with me. He said he wanted to see me, when could I see him. After that I went there and made up his return from information furnished by him. I couldn't recollect what form that information was in. I would say it took me about an hour to prepare that return. I received the information from Mr. Wait.

Referring to Government's Exhibit R-83, being the individual income tax return for E. H. Wait for 1937, I believe I prepared that at his home. He got in touch with me. There were no books and records. I received the information from Mr. Wait.

In addition to the returns I have testified about here to having prepared, I believe I did prepare returns for one Bernard E. McGrath.

Q. Where did you prepare those?

Mr. Thompson: If the Court please, we object to the

inquiry about Mr. McGrath. He is in no way connected with this that I know of.

Mr. Hurley: We expect to show he is.

Mr. Thompson: I have never heard of it. We except to counsel's statement "he expects to show this and he expects to show that".

The Court: What is the relevancy? I don't know. Objection overruled. What is the relevancy?

Mr. Hurley: We expect to show that this man was one of a group that worked in these places. This man took 157 care of all their books and business.

The Court: Objection overruled.

Mr. Hurley: An employe.

The Court: Overruled.

Mr. Thompson: There is nothing in any bill of particulars furnished us respecting a man McGrath. He is not mentioned in any part of the indictment. We object to the examination as being outside of the bill of particulars.

The Court: Overruled.

Mr. Hurley: Q. Did you prepare any returns of Bartley H. Berg?

Mr. Thompson: I object.

The Court: Unless you advise me to the contrary I am assuming that you expect to make the same showing with respect to these persons.

Mr. Hurley: That is right.

The Court: Objection overruled.

The Witness: I did prepare returns for Bartley H. Berg. I made those returns where he worked—I could not recall where he worked in 1936. I do not know what type of place I met him in. The return, I believe, will show on the back wherever he was employed.

Q. Did you file the return or prepare returns for one Frank H. Vase?

Mr. Thompson: The same objection to this person they now name, as being outside of the bill of particulars and no mention in the indictment, no connection with the defendants as far as his record shows.

The Court: Overruled.

The Witness: I don't recollect the name Frank H. Vase. I believe I prepared the return for Charles L. Smetana.

Mr. Thompson: The same objection to that person.

158 The Court: Overruled.

The Witness: I don't recollect where those returns

were prepared. I believe he met me at different appointments—I would not just be able to tell you at this time where the appointments were. I don't believe they were at my home. I believe he got in touch with me. I had known him casually before the first time he called me. I had seen him in the different neighborhoods at my locality and vicinity. I would not say in the adjoining ward or so. If the return shows it, I would know that was Smetana's business.

Mr. Hurley: Did you prepare returns for one James E. Hanley?

Mr. Thompson: We object to any inquiry about returns of this person named on the same ground. Here is no mention of him in the pleading, no connection with the defendants shown.

The Court: Overruled.

The Witness: I believe I did. They were prepared wherever he worked. I could not specify at this time where I met him. I could not swear whether it was the North side or South side.

Q. Did you prepare returns for Albert J. Kallus?

Mr. Thompson: We make the same objection, your Honor.

The Court: Overruled.

The Witness: I believe at 63d and Cottage, at Mr. Creighton's place. I don't know what he called the place, offhand. I believe Kallus was at Creighton's place at the time that I was there. I don't recollect just who else was there. I made up Kallus' return when I met him at Creighton's place. He asked me to make up his return. I couldn't tell you whether or not Creighton was there at that time.

159 Q. Now with reference to Ralph Moss, did you prepare returns for him?

Mr. Thompson: We make the same objection, Your Honor. It seems to me we are getting away from the promise.

The Court: Overruled.

The Witness: I believe I did. I could not tell where I made those.

Q. Did you prepare the return for Frank J. Villum?

Mr. Thompson: The same objection.

The Court: Overruled.

The Witness: I believe I did. I prepared those returns, I believe, at 4020 Ogden Avenue. I believe he called me and wanted me to meet him there. I believe I did

meet him at 4020 Ogden Avenue. I don't recollect who else I saw there at that time.

Q. Did you prepare returns for Claude Sullivan?

Mr. Thompson: Same objection, your Honor.

The Court: Overruled.

The Witness: I don't recollect the name. If my signature is on there I prepared the return.

Mr. Hurley: Did you prepare returns for Roy Love?

Mr. Thompson: The same objection.

The Court: Overruled.

The Witness: I believe I did. I don't remember where I prepared those returns. I could not recollect the type of place where I prepared the return.

Q. Do you recall preparing returns for McGrath?

Mr. Thompson: The same objection.

The Court: Overruled.

The Witness: I believe I did. They were prepared, I believe, at the place wherever he worked at. I don't recall exactly where the place was. I don't know just exactly what type of place he was working at. It all depends where he worked at. He was not in the grocery business. He worked in a bookie place or whatever it may be. I believe he may have worked at 4020 Ogden Avenue.

Q. Did you prepare returns for Gordon M. Oglesby?

Mr. Thompson: The same objection.

The Court: Overruled.

The Witness: I don't recollect the name.

Mr. Hurley: Did you prepare returns for William A. Barre?

Mr. Thompson: The same objection.

The Court: Overruled.

The Witness: If my signature is on there I prepared it. Looking at Government's Exhibit, R-107 for identification, I did prepare returns for one William A. Barre.

Q. Now, with reference to these names which I have asked you whether or not you prepared returns, when was the first year that you prepared returns for those men I have enumerated?

Mr. Thompson: If the Court please, without repeating our objection, we object to any inquiry about any of these returns under these names not mentioned as aiders and abettors, and not mentioned in the bill of particulars.

The Court: Overruled.

Mr. Thompson: And no connection has been shown and a connection ought to be shown ahead of proving the details.

The Court: Overruled.

The Witness: Referring to Government's Exhibit R-107, this was prepared in the year 1937, the return for the year 1936. I could not say very well as to what year I started to prepare returns for the other men. I don't think it was before 1936. I believe it was after 1936. I did not inquire as to who prepared returns for those men in the years previous to the time I prepared 161 them. I don't know who did. I know William Brantman. I would not know whether or not he prepared them for those years.

I am now an employee of the defendant Johnson. I work at the farm, a part time job. The rest of the time I do accounting or income tax or other tax work mostly. I spend about three or four days a month working for Johnson, some at the farm and some at home.

Q. What is your compensation for that work?

Mr. Thompson: I object to that as immaterial.

The Court: Overruled.

The Witness: There is no set compensation for that. I work four or five days for him. That is about the only way I determine that. I have no other work on the farm except this accounting work. I was employed by the Government at one time in the Revenue department, as a deputy collector. My duties were to investigate all the returns different cases that may be given to me. They were various types. The nature of my investigation work was regarding incomes and returns filed and some that were not filed. I would spend my time in the field. Whenever they requested me to spend it in the office I spent it in the office. I could not say approximately how much time that would be. If you are assigned to office duty you stay in the office; if you are assigned to the field you are out in the field. I was employed as a deputy collector for six or seven years.

Q. What was the occasion for your leaving that employment?

Mr. Thompson: If the Court please, we object to this as altogether immaterial. They can't very well impeach their own witness. They produced him; we didn't. That couldn't possibly have any bearing on any issue in this case.

The Court: I think he may answer.

The Witness: I believe it was the change of administration.

I would say I helped to make out and prepare approximately one hundred returns in 1936, about the same every year. Some were employees, some business people, different types. Some were in the gambling business. I believe there were a few there other than those I have named here. I don't recall if Mr. Hartigan gave me a set of books from which to make his returns. I have no recollection of that at the present time. As to Mr. Sommers, he did give me a set of some kind of books, from which I took figures to make his report. Mr. Sommers did, but as to Mr. Hartigan I do not recollect. I believe the first year I made a return for Mr. Creighton was in '37. When I made these reports I had all the information on a piece of paper that they gave me. Mr. Flanagan gave me all of the information that I put on the return on a piece of paper. He did not include the occupation he was in—I believe I knew that. I knew he had a gambling parlor in '36. That was true of 1937, 1938 and 1939. I asked him if he was a citizen of the United States and whether he was married. I do not recollect if I asked the question whether he operated on a cash receipts and disbursements basis or an accrual basis. I put down on Exhibit 46 that he was on a cash basis and that was not on this paper that I say he had, from which I got the information for the return on 46. I also put down he was a speculator. I did not know that from the piece of paper. I knew he was a gambler, but I marked down speculator. I have been a notary public since I have been twenty-one years of age. I am fifty years old now. I do not recollect if I inquired of Mr. Flanagan for the year 1937 as to his occupation or profession at that time. If the place is a blank on the back there it might have been an oversight on my part—I ~~did~~ know what it was. In 1938 I marked it as speculator. In 1939 I marked it as gambling. In making out these returns there was nothing said or done by Flanagan to conceal the line of business he was in. There was nothing said by him, or done, that I saw while I was making—with respect to these reports to conceal any of his income or operation expenses.

I was at his place of business at 4020 Ogden Avenue. There were no employees there at this time. He might have had some, I don't know. I was not employed by

Mr. Flanagan in connection with making out any other tax returns either for the Government or state. I know nothing about the making out of the social security. I believe he did make out and prepare some. I did not see the copies of the social security return or social security book. I did not ask him for it. I do not recollect whether he was making such a return. In all of the returns that I made during the four years for persons who might have been or were in the gambling business, it was my custom to mark down that they were speculators. Referring to R-26, purporting to be Mr. Mackay's return for 1936, I do not know where I was when I made that report. I believe he worked at some gambling places. This name written down—"Various establishments," I believe I did inquire what those were. He says, "I don't know. This is what I figured I made." I believe I made the report for 1937, Exhibit 27, at Milwaukee Avenue and Cicero. I did not inquire as to what his business or profession was when I made out this return. I believe he told me what "Other income, \$4,585.19" was. I could not really state what it was. I did not ask him how he arrived at his income here of \$1480. from business or profession. He might have said what the other income was. I don't recall whether I did ask him in this case. It **was not my custom to ask** when I made out these returns. When I went out to make these reports I did not ask for **any books or records**. I did not make any inquiry as to how he arrived at any of the figures which were submitted on a piece of paper. That is true of all these exhibits about which I have testified, except Mr. Sommers.

The notation appearing "Compiled from taxpayers' records" on Exhibit R-39, purporting to be the income tax of Mr. Sommers for 1936, is in my handwriting.

Referring to Sommers, Exhibit R-40, the second page under "Explanation of Deductions", "Light and power, \$1900" and "Rent, \$485", and various items is in my handwriting and I got that from his records.

I never asked anybody for any books. That is not true of the hundreds of returns that I made for the years 1936, '38 and '39; wherever the taxpayer supplies books, I make it up from the books. If he did not voluntarily give me some sustaining records for the figures I made no inquiry. In each instance I swore or affirmed that I have prepared the return or the schedule and that it is true and correct, and-a complete statement of all informa-

tion respecting income tax liability of the person or persons for whom the return had been prepared, of which I had any knowledge. I made no effort to secure any knowledge other than what was given to me on a piece of paper.

Q. As a former Internal Revenue man, you knew that certification was required in the regulations, where anyone helped a tax payer to make out a return, to request records and certify that you helped make it out and that it is true and correct to the best of your knowledge, and contains all of the information to the best of your knowledge?

A. I believe that is compulsory.

My information is that the occasion of my leaving the Government's service was change of administration. I believe I signed my resignation when I went in. I 165 had various supervisors. I believe the first Collector when I went in was Mabel Reinecke. I believe Carter H. Harrison was one, and Van Meter. I left a very short time after Mr. Harrison came in as Collector. No charges were filed against me, to my knowledge. I believe I would have had knowledge if they had been filed.

WALTER A. SOMMERS, recalled as a witness on behalf of the Government, having been previously duly sworn, was examined and testified as follows:

Direct Examination by Mr. Plunkett.

My name is Walter A. Sommers. I have previously testified in this case. I am special agent in the Internal Revenue service. I had a conversation with the defendant Johnson in November, 1939, which took place in Room 284 of this building. E. H. Wait, Clarence L. Converse and part of the time Frank Clifford, Internal Revenue Agent.

Q. Now will you state what was said to you about the defendant Johnson on that occasion?

Mr. Callaghan: I object to that, if your Honor please, on behalf of all the other defendants, a conversation in November, 1939.

The Court: Do you undertake to connect it up as against the other defendants?

Mr. Plunkett? Yes, we do.

Mr. Callaghan: If your Honor please, certainly as to

the proposition that a conspiracy was in existence to defeat and defraud the United States of income taxes for the years 1936, 1937 and 1938 this conversation would be inadmissible.

The Court: Not necessarily. It can be only admissible against the other defendants on the theory that the conspiracy exists and that this is a conversation in pursuance of the conspiracy.

166 Mr. Callaghan: That is right, your Honor.

The Court: If it does not tend to show that it is not admissible against them.

The Witness: I asked Mr. Johnson who owned 9730 South Western Avenue. Mr. Johnson said that William Goldstein had acquired that property for him, that he owned it, and that he had deeds for it, which he had not recorded. I asked him who built the building. He said that he did not know, that Joseph J. Nadherny had charge of the construction of the building, and that the information could be obtained from him. Mr. Johnson also said that he owned the Bon Air Country Club and that Roy H. Love was in charge of construction there and at his farm. Nothing was said by the defendant Johnson on that occasion concerning whether or not Skidmore had any interest in these properties. I asked him. Mr. Wait said that he operated the Dev-lin Club at Devon and Lincoln Avenue, on which he had arranged for the erection of a brick building, that he operated this club for a short time, turning the lease over to Jack Sommers for a consideration of \$5,000. Mr. Wait also stated in that occasion that he had the gambling privilege at the Villa Moderne and he also assisted Mr. Johnson at the Bon Air Country Club. Mr. Johnson and Mr. Wait were told that we might want them to appear before the Grand Jury and that it would be better if they gave me their addresses, instead of keeping them waiting around the building here. If they would give me their telephone numbers, and would be available on call, that I thought that could be arranged. Mr. Johnson gave me his telephone number at his house, 4224 Hazel Street, Buckingham 9500. He also gave me his telephone number at the farm, at the Cutten estate, as Downers Grove 1089.

167 *Cross-Examination by Mr. Thompson.*

This conversation took place on November 3, 1939, in Room 284 in United States Court House. E. H. Wait, Clarence L. Converse, Frank J. Clifford and myself were present. Mr. Wait is one of the defendants here. As far as Mr. Johnson is concerned, my recollection is that I wrote him a letter and asked him to come in, and he did come in. Mr. Wait was not under Grand Jury subpoena. Mr. Converse arranged for his appearance. I did not have Mr. Johnson under a Grand Jury subpoena then. I do not know, but I believe the Grand Jury was in session at the time of this conversation on November 3, 1939. I told Mr. Johnson that I might want to use him as a witness before the Grand Jury. We were not particularly investigating him. Mr. Converse may have been investigating Mr. Wait at that time—I was not. When I was asking these men all these questions about these different things I did not caution them about their constitutional rights. They did not have any lawyer there at that time. I think I have substantially told everything said in that conversation.

EDWIN WENDT, called as a witness by and on behalf of the Government, having been first duly sworn, was examined and testified as follows:

Direct Examination by Mr. Plunkett.

My name is Edwin Wendt. I live at 4728 North Lawn-dale Avenue. I am an engineer for O. A. Wendt Company. Formerly I was with Wendt & Chrome Co., where I was employed between 1933 and 1939 as an engineer. The president of the company is my father. I know the defendant Jack Sommers—I would say eight or nine years. I first met him at the Club Senrab. It is on Kedzie near Lawrence.

I saw him probably three or four times a year after 168 that first meeting with him. I would say up 'til about 1935. After 1935 I saw him a dozen or more times a year. The occasion of my seeing the defendant Sommers was that I was frequenting the Senrab Club and was gambling at that place. While in the course of visiting the Senrab Club the name was changed to the Horse Shoe. I would say the change occurred approximately 1935. I

know the defendant James Hartigan by sight. I have seen him at the Horse Shoe. He was in the pay-off booth stand at the Horse Shoe when I first saw him, about 1938. After that I very seldom saw Hartigan. The defendant Hartigan and the defendant Sommers were present at the same time in the Horse Shoe.

The Court: What did you see him do?

A. I saw him going around the establishment, milling around.

Q. Give us the detail. What do you mean by "milling"?

Mr. Plunkett: Q. Was he giving orders?

A. I can't say that I ever saw him give an order, no.

Examination by the Court.

I can't say that I ever saw him give an order to anybody—I never saw him do anything. I saw him breathe. He walked around the establishment. He talked with customers. I did see him do some things. He talked to customers that came in and he talked to me when I came in.

Q. What did he say to you?

Mr. Thompson: We object to this conversation.

The Witness: Well, just the usual greeting, "Hello."

Mr. Thompson: If your Honor please, we object to this conversation as to the defendant Johnson.

The Court: It is admissible against the defendant Sommers. Go ahead, tell us what he said.

169 The Witness: Well, just the usual hello that you would strike up. He said "Hello." I answered him back the same way, "Hello." I don't remember any other details. I never heard him say anything to any of the other employees. I saw him talk to them from a distance. I can't recall right now seeing him do anything else at any time.

Mr. Plunkett (Continues Examination).

I have also gambled at the Dev-Lin. I would say it is located on Lincoln Avenue near Devon. I saw the same man, Jack Sommers, there.

Q. Was he acting or doing the same things at the Dev-Lin that you saw him doing at the Horse Shoe.

A. Yes, sir.

Mr. Thompson: If the court please, he has not seen him do anything at the Horse Shoe, so we object to that.

The Court: Yes, he saw him talk, walk and breathe, and talk to employees.

The Witness: I saw him do the same thing at the Dev-Lin as happened at the Horse Shoe.

I have also gambled on one occasion at the Lincoln Tavern. I saw Jack Sommers there. I did have a conversation with the defendant, Jack Sommers, about the first of May, 1939.

Q. Now, will you state what you said to Jack Sommers and what he said to you?

Mr. Thompson: We object to this as far as the defendant Johnson is concerned.

The Court: Well, it is admissible as to the defendant Sommers.

Mr. Plunkett: It will be connected up.

The Court: We will hear what it is.

Mr. Thompson: We except to the statement of the United States Attorney that it will be connected up.

170 The Court: Overruled,—well, you have taken your exception. Go ahead.

The Witness: I talked to Mr. Sommers regarding some work in my line at the Bon Air Country Club. I learned on that occasion that there was work in my line going on at the Bon Air Country Club. I told him that I understood there was work going on out there or that the Bon Air was putting some work in there and I wanted an opportunity to quote on it. He said he was sorry he could not do anything for me on the job, that he had evidently forgotten about me, but that there would be some more work going ahead out there at the Bon Air. He told me that I should go out there and look the job over and try to get a figure out on it. He told me that I should see Mr. Roy Love when I got out there. I did go out to the Bon Air Country Club. I saw Mr. Roy Love. I had seen Roy Love previous to going out to the Bon Air. I talked to him previously at the Horse Shoe. I would guess that I saw him probably a half a dozen times a year prior to the time I saw him at the Bon Air. He was doing what I call construction work on the occasions I had seen him there.

Q. And you stated that you had conversed with him previously at the Horse Shoe. What was the nature of the conversations that you had with him?

Mr. Thompson: I object to that.

Mr. Plunkett: Was it concerning work on the premises?

The Court: He may answer. Overruled.

Mr. Plunkett: Q. Had you conversed with Love at the Horse Shoe concerning work on the premises?

A. Yes.

Mr. Thompson: We object to that. It is the same harm as if he relates the conversation.

The Court: He may state.

171 Mr. Thompson: Not binding on the defendant Johnson.

The Court: It is admissible against the defendant Sommers, I think, and possibly against some of the other defendants. You cannot sift this all out and I cannot give an instruction to every question that is asked and answered, as to whether or not it is admissible against all the defendants.

As I said to you heretofore and I say to you now again, if you will at the proper time present an instruction in respect of conversations that you think are not admissible against all the defendants, I will give those instructions if they seem to me to comply with the facts.

Mr. Thompson: Well, we understand that, of course, your Honor, and you have told us that, but to get all of this great mass of stuff in here with no connection at all, they have laid no foundation whatever to show that these men are responsible for these conversations and actions and they are trying their case backwards.

I appreciate it is a matter of discretion for your Honor to permit it to go in before they connect it up, but I think that the proper time is when they hook somebody up.

The Court: Well, they have just fairly got started in this case. Proceed.

The Witness: When I saw Roy Love at the Bon Air he was working on the job, actually working as a working man. I did thereafter submit bids for work at the Bon Air Country Club for air conditioning work. There were two bids—one for air conditioning the casino; the other was an alteration job for existing system. The casino is a gambling place. Our company got the contract to do that work. The price of the equipment that we installed at the Bon Air on that occasion was \$7,000. That was the total price for the

172 two different pieces of work that I testified was done in the year 1939. I personally collected the money for that work. I was paid the money on two different occasions. The first occasion was probably about the 15th of May, 1939. That is strictly a guess, however.

Mr. Thompson: We object to this. There is no connection with the defendant Johnson.

The Court: Overruled.

The Witness: I was paid on the first occasion \$3,500, and on the second occasion \$3,500. Mr. Sommers paid the first \$3,500 at the Dev-Lin. That is the same place I have testified about previously. I did not take away the entire \$3,500 with me on that occasion. I took away \$2,800.

Mr. Thompson: I object to that as immaterial.

The Court: Overruled.

Mr. Plunkett: And what became of the other \$700?

Mr. Thompson: We object to that as immaterial.

The Court: Overruled.

The Witness: I paid up a personal debt to Mr. Sommers. I had owed the defendant Sommers money.

Mr. Thompson: We object to that and move to strike it out as immaterial and prejudicial to all the rest of these defendants.

The Court: What is that for?

Mr. Plunkett: It is for the purpose of showing the connection, if the Court please. It clearly shows the connection.

The Court: Overruled.

Mr. Plunkett: Q. Will you state the occasion or the circumstances under which you collected the \$3,500, this first \$3,500 you have testified about, at the Dev-Lin instead of at the Bon Air?

Mr. Thompson: I object to that as immaterial.

The Court: Overruled.

173 The Witness: The money was offered to me at the Bon Air and I asked if it would be all right if they sent it out, and was told that they would send it to my office, and in the next day or so, time elapsed, and I didn't receive it, and I went out to the Dev-Lin and talked to Mr. Sommers about it and he said to come back in a couple of days and he would try to get it for me, at least, and a few days later I went back and he had it for me. On that occasion I was told that the money would be sent to my office. I believe I left a receipt at the Bon Air Country Club for \$3,500. I am quite sure I left the receipt without taking the money. I was told that Mr. Roy Love would bring it to my office. The next time I asked if it would be possible to get a check for it. I asked Mr. Sommers if it could be arranged I get a check for the balance due our firm, and he

arranged for it at the completion of the installation and gave me the check. I turned it over to my organization. I know now whose check it was. At that time I did not pay much attention to it.

Q. Whose check was it?

Mr. Thompson: I object to that. It is immaterial unless it is connected up with these defendants.

The Court: Overruled.

The Witness: It was made out by the Lawrence Avenue Currency Exchange. That completed the payments of money owed to our company for the work I have testified was done at the Bon Air. Government's Exhibit E-83 is a contract for the air conditioning at the Casino room and is my records of our company. I see the signature on the last page—I was there when it was signed by Roy Love. I saw the same man, Mr. Roy Love, sign Government's Exhibit E-84. These contracts were executed at or about the date that appears on the face thereof. I last saw the defendant Sommers about two or three weeks ago at the Rose Bowl Florist Shop, located on Kedzie avenue near Lawrence. It is in the same building as the Horse Shoe that I have 174 been testifying about—right underneath.

Cross-Examination by Mr. Thompson.

My father is part owner of this business. The company Wendt & Krohn has been dissolved. I was not interested in the business at the time of these transactions I have been talking about. I have never been to college. I am not that kind of an engineer. I have a practical training as an engineer. I believe I know how to install an air conditioning system if it is not too complicated. I do a little gambling once in a while. I was a customer of Jack Sommer's gambling emporium. I first played at the Horse Shoe or Senrab Club at that time. That is the same one that is now called the Horse Shoe. That is at Kedzie and Lawrence. I would say I went to Mr. Sommers' Club, known as the Senrab, about three or four times a year. I would say between '31 and '35. I did not get well acquainted with Mr. Sommers during that period. I got acquainted during the period since I have known him. I just imagine that the Senrab was changed to the Horse Shoe in 1935. I am not sure of that. As far as I noticed, they were running about the same—just changed the name, so far as I know. This was

not a restaurant. There was a restaurant there. I am not sure that there was then, but there is now, so far as I know. The Horse Shoe is a restaurant now. I do not know how long it has been a restaurant—I would say probably about a year or so—maybe two years. I have seen Mr. Sommers around there all this time, 1931 down to date. On one occasion I went in there and saw Mr. Hartigan there. I saw him in the change cage, or something, that night. I later saw Mr. Sommers out at the Dev-Lin Club. That is at Lincoln and Devon. I do not know how it got its name. There is not a restaurant and floor show conducted there. It is a gambling house and Mr. Sommers was there, too.

These gambling houses were not operated at the same 175 time. As far as I remember, when the Horse Shoe was closed the Dev-Lin would be open. As I remember it, they operated one or the other alternately, and I visited whichever one was open. I confine my activities at gambling largely to Mr. Sommers' two places, the Horse Shoe and Dev-Lin. I knew Mr. Sommers by that time quite well.

I was looking for business and I heard that some air conditioning work was being done, or proposed to be done, out at the Bon Air. I had been out to the Bon Air prior to that time, so when I heard about this I asked Mr. Sommers if he could help me get some work out there, and he told me that he would try to find out what could be done. He did not then give me any work. He was going to see what he could do. He did not later report to me whether I could get the job. He never told me that I would get the job. He did later report to me that he had discussed the matter and then I went out to the Bon Air by reason of my report from Mr. Sommers. When I got out to the Bon Air I talked to Mr. Roy Love about this job and he was doing some construction work out there. After the proposition was written it was accepted. I saw Mr. Love not more than three times before I came to terms. I talked to the architect, Mr. Nadherny, on the detail work. Nadherny was out there on the job, too. Love seemed to be head of the construction and Nadherny seemed to be the architect on the job. I did not talk to anybody else, that I remember right now. I was out there two or three times in connection with this construction and finally got the contract. Government's Exhibit E-83, for identification, dated May 6, 1939, is the first contract for air conditioning the casino. The signature, C. A. Imming, was the salesman on the job. That is a proposi-

tion written in contract form that was taken out to the job with Mr. Imming's signature on it, and in contacting Mr. Love, Mr. Love signed that contract. The proposition was submitted to the Lighting Construction Company. I do not know anything about what it is. I was instructed by 176 Mr. Love to make it out to that company. I don't know whether it is a corporation, general contractors and builders, or what it is.

E-84 has to do with revamping of an existing system that was out there. That was made in the same fashion, by the same parties. After I got this job done I had \$7,000 coming, and I went out to the country club and saw Mr. Love about paying the bill. After I talked to him he sent me to Mr. Geary to see about paying the bill. I don't know what his position was—he was working on books of some kind in the office. I would say, to all appearances he was a bookkeeper, cashier, or something of the sort. I don't remember whether I did or did not hand him this bill for \$7,000. I was asking for part payment of the job. He offered to pay me in currency, \$3,500. I did not want to take it. I didn't want to carry \$3,500 in from Wheeling, so I asked them to send it down to the office. It did not come down in a couple of days, and I saw my friend, Jack Sommers, and asked him to get this money transported down to the office. He said he would try to do it and he did. I saw him later and he had the \$3,500 for me, and he gave it to me, and when the next \$3,500 came due I talked to Mr. Sommers and asked him if he could get it, and he told me what he could do for me. I did not want to carry this money in from the Bon Air. I asked him if he could see if he could get it in the form of a check or draft, and he said he would see what he could do about it, and when they handed me a piece of paper it was an order to pay our company \$3,500. I did not know then, but I know now, what concern this order was on. I found out through our bookkeeper since then. This was before I talked to the United States Attorney. I had been asked some questions by the president of our company about the payment of the job and I talked it over with our bookkeeper and he brought out the books, and

I found out how it was paid. The Government agents 177 did not ask me any questions. It is possible that they asked our president. That was the occasion for my office asking me about it. I found out from my books that this is a payment from the Lawrence Avenue Currency Exchange. It was a money order. I do not know who purchased

it. I do not know who paid for it. All I know is that Mr. Sommers handed me a money order drawn for the Lawrence Avenue Currency Exchange for \$3,500, as an accommodation to me. I turned the money order over to our book-keeper. I do not know what he did with it. The books show he received \$3,500. They show a credit by reason of the deposit of payment by the Lawrence Avenue Exchange money order. That is all there was to it. Mr. Sommers is the only man I saw in connection with that transaction.

I saw Mr. Sommers at the Lincoln Tavern. He was just breathing and walking around, visiting. That is about all. I was only there on one occasion. He was in plain clothes. I was only there on one occasion. I don't remember when—it was some years ago. It was four or five years; three years ago. I saw him once and that is all there is to it.

Mr. Thompson: We object to these exhibits, E-83 and E-84, as immaterial, as outside the issues made by the indictment and as outside of the particulars furnished in the bill of particulars, and as not binding on any defendant in this case. Assuming it is a Bon Air expenditure which the Lightning Construction Company made, for which it was reimbursed, then it is a duplication, no doubt, of what the books of the Bon Air show, which are already in evidence.

The Court: Objection overruled. It may be received.

(Said documents so offered and received in evidence were thereupon marked GOVERNMENT'S EXHIBITS E-83 and E-84.)

I have seen the defendant Hartigan at the Bon Air Country Club, in the gambling casino in '39. I was only in that room on two or three different occasions, just checking temperatures in the particular space. I believe I saw him on all the occasions I was there—I know I saw him on two different occasions. He was breathing when I saw him, the same as Jack Sommers was in the other space. I saw him on the stand, if you call it a stand—it is similar to a payout stand—I do not know what he was doing—he was just sitting up there—nobody else was up there with him. I wouldn't say that I have had a lot of experience in gambling rooms, but I have had experience in them. I do know what the purpose of the payout stand is in the gambling rooms. It is what the name implies—it pays out money

to persons who win. While I saw the defendant Hartigan in that stand I did see him pay out money. No, I have never seen him take any money in. The Horse Shoe Restaurant and the Horse Shoe gambling place are two different places. They are in the same building. The restaurant is on the ground floor and the gambling room on the second floor.

Recross Examination by Mr. Thompson.

I submitted a proposition to Mr. Sommers for his own place down there at the Horse Shoe for air conditioning. He did not accept it. I was around hunting business and I found this business at the Bon Air.

179 NORMAN ANDERSON, called as a witness in behalf of the Government, having been first duly sworn, was examined and testified as follows:

Direct Examination by Mr. Hurley.

My name is Norman Anderson. I live at 4936 North Damen Avenue. I am a plasterer and have been so engaged for about twelve years. I was so employed in 1937. My other duties were the construction line mostly. Plastering, cement work, mason work, laboring. I can name some places where I was employed, starting with September, 1937. I worked at the Northland at Clark and Howard Street. I believe it was in the neighborhood of 7515 North Clark Street. It was formerly a garage. I was plastering there and wrecking, mostly wrecking. Roy Love was my boss. I met him at Lawrence Avenue and Kedzie in a shop, I believe it was 7415 or 13, on Kedzie. The occasion of my meeting was to ask him to put me to work. I contacted Mr. Love through my wife. She asked Roy Love if he needed any men and he said he probably could use a man. I was out of work at the time. He said yes, and that I should come over to Kedzie Avenue and see him there. I went to the neighborhood of Lawrence and Kedzie, and he put me to work. About five other men were working with me at 7515 North Clark Street when I started up there. There were more laborers working later on. We tore out partitions and walls. Eventually we tore all the partitions down and put in an oak floor there and made one large room of it. I was in that room after that, some time later.

I came back there and we plastered the walls. That was the last time I was in there. During the time we were working there there were men around. We came on duty at 8 o'clock and everybody had left at that time and porters were cleaning up. I saw counters and cashier's windows, tickets, mutual tickets in the place. Of course that was my opinion.

180 Mr. Hurley: Q. Did you later do any work at any other location similar to the type you did at 7515 North Clark Street?

Mr. Thompson: We object to the general questions and move to strike out all of this testimony about the Northland; it is in no way connected with any defendant.

The Court: The objection to the question will be sustained; the motion will be denied.

The Witness: Referring to the place known as the Horse Shoe, I did do a little patch work there.

Q. What kind of a place was that?

Mr. Thompson: We object to all of this detail as to what kind of place it was. That has been proved a half dozen times in this case.

The Court: Overruled.

The Witness: From my opinion the Horse Shoe was the same as the Northland room. I saw people supposedly betting on horses. I have done patch work at the place known as the D & D also within the period of the time I worked for Roy Love. Roy Love sent me to the D & D. When I went there I saw the watchman at the door. Most of these places, when I went there it was usually in the evening. I had my instructions from Roy Love what to do there, and the material and everything would be there. I would just go about my duties. There would be a man at the door to let me in. I have done work at the place known as the Lincoln Tavern, probably last year, 1939. Roy Love sent me there. I went out to a place known as the Harlem Stables and did some repair work there, and also worked

there as a shill. I worked there as a shill the first part

181 of 1939, about two months. I got the job through Roy Love. He sent me over there. He asked me if I wanted to keep working and he would keep me on temporarily while the building was slow. I worked as a shill at the Harlem Stables.

I saw a man by the name of Riley when I went to work as a shill at the Harlem Stables. They called him Pete. I

saw men in there, but I don't know them. I was sent to 182 Pete Riley. He told us our duties; to go to work. Mr.

Loy McGinnis, also a plasterer, went with me. William Schmidt was also in that crew over there. I believe I worked two months as a shill at the Harlem Stables. I worked every evening as a shill during the two month period. I believe the hours were eight in the evening until two in the morning. I saw Pete Riley there now and again. I did not keep my eye on him. I knew that he was there.

Q. Will you explain to the Court and jury just what your work as a shill involved?

Mr. Thompson: We object to that as immaterial. In fact, if your Honor please, I can't see the materiality of any of these details this witness is relating.

The Court: Overruled.

The Witness: I played at the dice game. I did not play with my own money.

Mr. Thompson: We object to this as immaterial.

The Court: Overruled.

Mr. Thompson: No connection with any defendant.

The Witness: I got the money from one of the men in the place there. As far as I could see he gave the money to the shills.

Q. How many shills were there working there when you were there during that two months period?

Mr. Thompson: We object to that as immaterial to any issue in this case.

The Court: Overruled.

The Witness: I would say eight or ten men. There were eight or ten shills working during the hours I worked up until two in the morning. I did no other work except working as a shill, working at the Harlem Stables at that time.

Q. How much did you get for that a night?

Mr. Thompson: We object to that as immaterial.

183 The Court: Overruled.

The Witness: Four dollars.

I saw the defendant Johnson at the Harlem Stables at one time when I was working there as a shill. I did not see him gambling there. I know the defendant Johnson. I see him in the courtroom.

After I worked at the Harlem Stables for a couple of months as a shill I worked at the Bon Air Country Club, doing construction work, plastering, cement work, repairing. I worked there in that construction work in 1938 after

I left the Harlem, until about July, 1939. I worked at 4020 Ogden Avenue. That was after I got through at Clark Street. I worked there during the day, doing construction work. Mr. Roy Love sent me there to work. It was a store and we did some carpenter work in there; put a grill in over the counter, shaped something like a cashier's grill which you find in a bank. We worked there about two hours. There was a man there to admit us and let us out. I worked at a place known as the Dex-Lin, Devon and Lincoln, I believe. I don't recall, but it was within 1938 and '39. Roy Love sent me there. I went there during the day. Nothing was going on when I got there. There was a man at the door to let us in. We had to cover some walls there with plywood and did some painting. I did some work on Johnson's farm. I worked on the chicken house there. Roy Love sent me out there. I did some work at a place on Monticello and Milwaukee.

The last time I worked on construction under Love was the last part of 1939. After I finished up my construction work I went to work out at DuPage County for the local union out there. After I finished the construction work at the Bon Air I did a patch job there. I worked at the Bon Air at the front door—that was 1939. Roy Love got 184 that job for me. He did not state just what the duties were until I went to work, the day I went to report for duty. I went to get a suit or a uniform before I went to go to work at the door. Roy Love sent me to do that. I got a suit at Benson & Rixon's. I got the money from Roy Love. He did not give me the money—he gave it to Mr. Melvin Koop. He gave him \$100. After Koop got the \$100. I went down to get the suit at Benson & Rixon. I went back to the Bon Air and went back to work and finished up some of the sidewalks out there and that evening, or the following evening, I reported for duty at the Bon Air as doorman or greeter. I talked to Mr. Spaggott. He told me what my duties were. He was the manager there. It looked to me like he took care of the catering work—that is the food—sort of a steward. My duties were to greet the people as they entered the door and open the door. Mr. Spaggott gave me my orders—that is to direct them to the bar, to the dining-room and open the door as people entered and open the door as they left. That is all I remember all my duties were. I greeted Mr. Johnson as he came in. Mr. Johnson invited me to dinner the night I went to work there, and told me not to accept any tips.

Cross-Examination by Mr. Hess.

Roy Love was my boss on these various construction jobs. I got my orders from him, and the other jobs I got were on his suggestion. I went to work at the House of Niles. It looked to me like a roadhouse at one time. They served meals and drinks, no entertainment. There was gambling. I don't know whether Roy Love did any work at the House of Niles. My wife was talking to him while he was eating there. He may have been supervising some work there 185 at the time—I am not sure—I was not there at the time. I do not know whether or not he was doing any of the supervising of any work at the House of Niles. I never spoke to him about that afterwards. I did not ask my wife how she knew him. She knew him through some girls working there. She spoke to them about that, I believe. To my knowledge he was not supervising any work at the House of Niles. That is, my wife told me he was working there, or supervising work, I don't know which.

Mr. Thompson: We move to strike all the testimony of this witness as having no bearing on any issue in this case.

The Court: Motion denied.

LORENZO BAKER, called as a witness on behalf of the Government, having been first duly sworn, was examined and testified as follows:

Direct Examination by Mr. Hurley.

My name is Lorenzo Baker. I live at 5543 Prairie Avenue. I at one time worked at a place known as the Horse Shoe at Lawrence and Kedzie. I was a porter. I did cleaning up and waiting on the desks. I worked there from eight in the morning until eight at night. I got the job through the head porter who went to work there in 1930 or '31. I worked there five or six years. I worked under Henry Armsted. He was the head porter. I saw the other people that worked there and the guests. The place was located on the second floor. It was a regular horse book and what not. There was gambling equipment there, such as roulette wheels and crap table, horses and black jack. I was getting \$12. a week.

Mr. Thompson: We object to that.

The Court: Overruled.

I know a man named Hartigan. I saw him in the 186 Horse Shoe in the later years—I think '35 or '36. He was one of the bosses. I saw a fellow there named Jack Sommers. I saw him there about the same time. Mr. Sommers was there first and then Mr. Hartigan came. Mr. Sommers was the cashier. I don't know what he was doing, regular routine of a cashier. He did not have much to do there. He checked the books and what not. At times he was handling money. I see those men here in the courtroom that I knew out there at the Horse Shoe (indicating the defendants Hartigan and Sommers). I worked as a porter at the Lincoln Tavern after I worked at the Horse Shoe, about two or three months, something like that. That must have been the latter part of '36. I see these men here in the courtroom that were out there at the Lincoln Tavern when I worked there (indicating the defendants Hartigan, Sommers and Kelly). I saw Hartigan walking around at the Lincoln Tavern. Sommers did the same thing. Kelly was walking around.

I worked at the D. & D. I saw Mr. Kelly and Mr. Sommers and Mr. Hartigan once in a while at the D. & D. Mr. Kelly was my boss at the D. & D. I worked there three years. The last day I worked there must have been September or October, 1939, when the D. & D. closed up. Mr. Kelly asked for me to go to work at the D. & D. I don't know whom he asked. He just told me to come down and go to work. I know a man named Roy Love. I seen him at the D. & D. I seen him at the Lincoln Tavern, too. In traveling around I seen him. I saw him at the D. & D., fixing the place up, painting and what not. He did the same thing at the Lincoln Tavern. I saw him very seldom at the Horse Shoe when I worked there. If anything happened, any work to be done, he did it. I did have something to do with moving equipment. All of it was dismantled, such as tables, chairs, etc., and moved it, such as tables, chairs, and so forth. I would dismantle crap and black jack tables. The first moving

I did was about 1936, from Kedzie & Lawrence, the Horse Shoe, crap tables, black jack tables, chairs and equipment were moved to the Lincoln Tavern. I think Roy Love told me to move that equipment. I did not move any equipment other than that from the Horse Shoe to the Lincoln Tavern.

I worked at Tessville. That was between 1936 and 1937. I did the same type of work there. I did not have anything to do with the moving of the equipment into or out of

Tessville. The name of the place in Tessville was the Dev-Lin. I have seen Johnson at one of the places I have described. I see him here in the courtroom (indicating the defendant Johnson). I seen him at the D. & D., not very often. If I did see him any place else I did not know him then. He was walking around when I saw him at the D. & D. I did not see him gambling. Roy Love told me we were going to move to the Lincoln Tavern after I was at the Horse Shoe. We just got on the truck and went right out there. We went the same way at the time the Lincoln Tavern to the Dev-Lin. Same thing, tables, chairs and regular equipment, black jack tables, crap tables, chairs. There was no part of the Horse Shoe Restaurant moved out to the Lincoln Tavern when I went out there. I do not know a thing about the restaurant—I did not go out there. Roy Love directed us in setting up this equipment after we moved it from the Lincoln Tavern to the Dev-Lin. I was working for Jack Sommers and Jimmy Hartigan at the Lincoln Tavern. I was working for Mr. Sommers at the Dev-Lin.

Mr. Thompson: No cross examination. I move to strike the testimony as not material to any issue in the case.

The Court: Motion denied.

188 ROY ROBERT MCGINNIS, called as a witness on behalf of the Government, having been first duly sworn, was examined and testified as follows:

Direct Examination by Mr. Hurley.

My name is Roy Robert McGinnis. I live at 4108 Kenmore. I worked at a place known as the D. & D. for about four days, as a shill. I know Mr. Kelly, here in the courtroom, that I saw at the D. & D. I went to work there, I think, in 1938. I was out of work and a friend of mine says to me I could go to work down there for a few days until the construction work opens up and then I could do construction work with Mr. Roy Love. That friend was employed there at the D. & D. After I worked there I went to work with Roy Love. That is my line of business. I am a building mechanic. I was told to go and see Love. That is all. I went there to see him and went to work. He did not say anything to me when I went there to see him. I never met the man before. The first time I met him was where

his storeroom is over there, at the storeroom at 4719 or something like that, Kedzie. I told Mr. Love my name was McGinnis and I was looking for a job, and he said all right. He never asked me where I had worked. I went from there to work at the Bon Air. They were remodeling out there and I worked out there until the club opened in May of 1938. I was doing everything in the building line. I am a plasterer, but there was not any plastering there so I was doing every kind of work, labor work. I worked out on Johnson's farm, out on Butterfield Road. There was some remodeling and repairing, and building a new house out there. Love asked me to go to the farm to work. Twenty or more men were in the crew working at the farm. I was employed there about three months. After I finished at the farm I guess I went into town and did some work on 189 North Clark Street, 7500 Block—I don't remember the exact number. That was remodeling work in there. The walls were coated with cement sand-finished. Anderson and myself done a little repair work, then went back to the D. & D. Club. I worked as a shill at the Harlem Stables in January, 1939. Mr. Love sent us out there. He says go out there and tell the man at the door that I sent you out, and they can put you to work for a few days—I have not got any work for you. We told the doorman that—I don't know what the doorman's name was—that Love sent us out there—if there was any work out there he would appreciate it very much if we could work a few days out there. I worked about three weeks. After we told the door man Love sent us over there he said "all right, come on in and I will see what we can do." He walked away. Then came back and took us over and introduced us to another fellow and he says for a few days we will work. I don't recall the man's name we were introduced to. He was a tall chap, a young fellow—I don't see any gentleman in the courtroom that I saw out there at the Harlem Stables. I don't know a man named Tony Steel working at the Harlem Stables. This place where I first met Love was a store building. There was a lot of electrical equipment there. There was some lumber there that would be used for repair work at different times. That was all that was in there. That was about 4719—I don't know exactly what the number would be on Kedzie. I know where the Horse Shoe is—at Lawrence and Kedzie. It is two doors south of that. It is the same building. This store was empty other than the articles I have enumerated for you.

I saw Johnson at the Stables two or three times out there in the evening when I was working there. I see that same Johnson here in the courtroom. He was not doing anything when I saw him at the Harlem Stables—talking to different customers that were in there. I did not ever see him gambling at the Harlem Stables when I was 190 there. I saw him once when I was working at the D.

& D. as a shill. He was talking to some customer that was in there. He was not gambling. He was not playing any of the games there.

Mr. Thompson: No cross examination, but we move to strike the testimony as immaterial.

The Court: It may stand.

LESTER CREGAR, called as a witness in behalf of the Government, having been first duly sworn, was examined and testified as follows:

Direct Examination by Mr. Hurley.

My name is Lester Cregar. I live at 1028 Circle Avenue, Forest Park. I worked at a place called the 400 Club in 1936 as a cashier. I was employed on and off for probably three years. The 400 Club was a hand book. I was working for "Chick" Parcell.

I worked at the Select Club evenings. That was on Circle Avenue—I should judge on and off for two years. I shilled at the poker game. I was working there for Mr. Murdock McKinzie. I just sat there in case somebody drops out, to keep the game going until it was filled in. In other words, if somebody dropped out I took their place. The manager of the poker game would give me the money that I played in that game. The manager of the poker game was employed, too. All my time was devoted to being a shill in a poker game at the Select Club. I worked at 63d and Cottage Grove, at the Southland Club. McKenzie sent me there. I was out of work for about two months. I talked to McKenzie. He said he would see Mr. Creighton about putting me to work at 63d and the Grove. I see the Creighton that I refer to here in the courtroom. When I went to 63d and Cottage I saw Mr. Creighton. He just told me that

191 he was working a few days a week—there was not much business. We worked three or four days a week. I was cashier at the Southland Club. The work of a cashier is to figure bets and pay off.

Q. Just describe it; how did it happen?

Mr. Thompson: That is immaterial. I don't see why we need any education in the business of gambling.

The Court: Overruled.

The Witness: You have a blank sheet in front of you, where you write the numbers, 1 to 12, or 1 to 15, according to the number of horses in the race. The number of the winner, the second horse, the third, and the mutuel, is put on that sheet. I would not take money on bets. I paid them off. Money was handled by me. I was cashier for one sheet writer. I worked as a sheet writer. A man comes up and places his bet and you put the number down, whatever is on the sheet opposite the horse's name. The horses have both names and numbers. You put on there the amount that is paid. After the sheet is filled, or at the time the race is run, you tear it off and turn it over to the manager. You total up your sheet and check your sheet in with the amount of money on that sheet, and that money you turn over to the cashier with the sheet you take in. There is one duplicate made of that sheet at the time you accept the bet. There is an original and duplicate. The original goes to the cashier and the duplicate to the manager. Operating as a cashier I received one of those sheets and the money which some sheet writer had accepted. After you get that sheet made by the sheet writer you total it up and see that the right amount of money comes in. I should judge I worked at the Southland probably two months, or a little less. I was paid \$6.00 a day, paid every night that I worked. Payment was made in cash. The man that would handle the payoff gave it to me—I think his name was Butler out there—I couldn't say for sure. I was only there a short time—I don't know many of them. There were three cashiers working there, sometimes two and three, but of these cashiers there was not any one that was in charge of the cashiers. So far as I know, all operated separately. The man who had charge of the cashiers was called the manager. That was William Foley.

After I left the Southland I worked at School Street—I couldn't tell you what number. I was only there a short time—I think Milwaukee and Belmont—they come together there. I was a sheet writer at School Street. I was there probably six weeks or two months. There is not much over there. I worked for Tom Hartigan there. The nature of the business there was just a hand book. When I left School Street I went back to the 400 Club, Forest Park. I was

there until they closed—I should judge last September, '39. I was working there for "Chick" Parcell. I did work at a club known as the Proviso, First Avenue, in Maywood. I worked there a few months while it was running. The nature of my duties was cashier. I was working there for McKenzie. That is the same McKenzie that I named before. I saw the defendant Creighton at the Select Club once in a great while. He just dropped in and talked and would go out. He talked with the manager McKenzie. I didn't see him at any other clubs I have named.

Mr. Thompson: No cross-examination, but I move to strike the testimony of the witness immaterial, all of it.

The Court: What do you expect to show by this testimony?

(Following occurred out of the hearing of the jury.)

Mr. Hurley: It shows the defendant Creighton connected with the Southland; shows him out there at these spots. We expect to connect it up with the West Side spots.

The Court: Expect what?

Mr. Hurley: Expect to connect it up with the West Side spots.

Mr. Plunkett: The places named in the bill of particulars. We want to show that each one of them was a gambling establishment, and to prove that, we must prove that such place was a gambling establishment.

The Court: Motion overruled.

(Following occurred in the hearing of the jury.)

Mr. Thompson: I move to strike the testimony, particularly as to the 400 Club; no connection with any defendant here.

The Court: Denied.

Mr. Thompson: The same as to the Proviso Club.

The Court: Denied.

Mr. Thompson: The same as to the bookie on School street.

The Court: Denied.

Mr. Thompson: The same as to the Select Club.

The Court: Denied.

ULYSSES GRANT JONES, called as a witness in behalf of the Government, having been first duly sworn, was examined and testified as follows:

Direct Examination by Mr. Plunkett.

My name is Ulysses Grant Jones. I live at 3853 Langley. I was employed at the Horse Shoe about 1931. Roy, I believe, was the name of the person who employed me—I do not know his last name. I did, after that time, work at other gambling houses in Chicago—at Lincolnwood, on Lincoln Avenue—I don't know just how to name the location, but it was on Lincoln Avenue—I think it was near Devon—Lincolnwood is all I know. I worked at the Harlem Stables during that period of time. That is located on Harlem Avenue is all I know. I worked at the House of Niles. I do not know where that is located. I worked at 4020 Ogden Avenue. I believe I stopped working at 194 these places September 6, 1939. I was working at 4020 Ogden Avenue when I last worked. Roy was my boss at these places as far as I know. I did assist in moving equipment at some of these places. I just moved tables and things for the kitchen. The only occasion that I remember now was from Harlem Avenue to the House of Niles. I could not remember when that was. I haven't any idea. It was between 1931 and 1939, but what year I don't know. I moved nothing more than tables, is all I know of, just ordinary tables. They were moved by truck. I do not know who ordered them moved. Roy was in charge. I can't describe Roy any better than I have.

Q. Have you forgotten his last name?

A. I never knew his last name. I was a porter at these places where I worked. The duties of a porter was cleaning, general cleaning. I worked a short period in the day but most of my time was consumed at night. I don't know who paid me for my work.

Mr. Thompson: I move to strike the testimony as immaterial.

The Court: Denied.

Mr. Thompson: No cross-examination.

ROBERT GOLDBERG, being duly sworn, testified as follows:

Direct Examination by Mr. Miller.

I have worked as an electrical contractor for twenty-two years. I know the defendant, William R. Johnson. I have done some work for him. In 1937 I done some electrical work on his farm. In 1937 the work amounted to about \$6,000. I certainly was paid by Mr. Johnson in currency.

I done some more work in 1938 on the farm, about 195 \$1,500 worth. I was paid for that. I did not do anything else for Mr. Johnson. I did have occasion to do some work at the Bon Air Country Club. I talked with Mr. Wait and Mr. Nadherny in connection with that work. I know Mr. Wait—I see him in the courtroom. The nature of the work performed at the Bon Air Country Club was electrical work in 1938 and 1939. The amount of the electrical work done at the Bon Air Country Club during 1939 was about \$13,000. I was paid as the job progressed, by check or by cash. Government Exhibits, 85, 86, 87 and 88 are my job envelopes pertaining to that job. I made all the entries on these records and these records are kept in the usual and ordinary course of my business. I do keep such records in my business. These are a permanent part of my records. The transactions reflected on these records were placed thereon at or about the time they took place.

Mr. Plunkett: The Government would like to offer Government's Exhibits E-85, 86, 87, and 88. You may cross-examine.

Mr. Thompson: We object to the three exhibits as immaterial and as duplication of the testimony of the witness as to the amount, I assume, of the money paid him for his work out there, and a sa duplication of the items included in the Bon Air books, which are already in evidence; and particularly as to these, your Honor, we also object that all this material on thes envelopes is unintelligible, doesn't convey any information to anybody, that you can understand by looking at it; at least I can't; it may be my fault; and I want to suggest to your Honor that we are piling up a lot of duplication here, put a witness on and he testifies to certain facts, and then put a lot of exhibits in from which the witness testifies. Now, the rule is, as I understand it, that the records from which the witness testifies should be marked and identified and be present in court for the

purpose of cross-examination, but they should not be
196 put into the record and duplicate the matter; and if
this isn't the same thing to which the witness testified,
then certainly there isn't any foundation laid for putting it
in evidence.

Examination by the Court.

No. 3337 on Government's Exhibit E-87 for identification, is our job number. The amount of the contract price is \$7,300. Bon Air is the name of the place where the work was done, the address, Wheeling, Illinois. That is where the Bon Air is. The date of the entry on there is 5/1/39. \$3277.13 is the cost of the material. That is the total cost of the material that went into the job. The column 5/31/39, Labor, \$2351.20, is the cost of the labor that went into the job. "Direct Cost Involved, Com. 100" was the expense involved. That is other expense that accumulated on it, other than material and labor. 5/19/39, \$1,000. is a payment I received on account, and when I got the last payment I marked it up. That is the way I do it. I put this stamp here in the middle. That is true of all of them. These figures over here on E-85, for identification, are by my bookkeeper, as the job goes along and is not completed he takes a certain percentage of that material and labor and it balances out in my corner. That all totals up to \$2,884.35. When the job is in progress and is not completed he takes out what material has been charged and the labor that has been charged each month. That is to get some architect's certificate for it. That is the method by which we get our draw. These figures that are shown here in the lower right-hand corner on 85 are the figures put in by my bookkeeper, who was trying to get architect's certificates.

197 The Court: Objection overruled. They may be received.

(Thereupon GOVERNMENT'S EXHIBITS 85, 86, 87, and 88 were received in evidence.)

Mr. Callaghan: If your Honor please, I want to record an additional objection as to the other defendants, as to immateriality and as not binding on the other defendants.

The Court: Overruled for the present.

REX DAVIS, being duly sworn, testified as follows:

Direct Examination by Mr. Miller.

I am with Hans Teichert Company. The business of Hans Teichert & Company is painting contracting and decorating. I know the defendant, William P. Kelly. I did some work for him at Dearborn & Division Street, I believe in 1938—maybe it was in 1939, I am not sure. It was about \$1,200., I believe. Mr. Kelly employed me to decorate his room. Mr. Kelly paid me in cash at Dearborn and Division. I did some work at the Bon Air Country Club. Mr. Ed Wait employed me in that connection—I see him in the courtroom. There were two contracts in 1938 and 1939. Each required about four months to complete.

Referring to the 1938 contract at the Bon Air there was a complete re-modeling as well as enlarging of the property, which required a complete re-decorating job. That contract ran about \$15,000. I was paid for that work in cash, as the work progressed, during the year 1939. I have seen Government's Exhibits E-90 and 91, for identification, before. They are the sheets pertaining to all the work we ever did at Bon Air and for Mr. Kelly. They are part of the permanent records of my company. The entries thereon were made under my supervision. 198 This record is kept in the usual, ordinary course of our business. It is customary to keep such a record in our business.

Mr. Miller: At this time we will offer Government's Exhibits E-90 and E-91 for identification, to be received in evidence. You may cross-examine.

Mr. Thompson: We make the objection that they are immaterial under the issues made by the pleadings and that they are a duplication of expenditures at Bon Air.

The Court: Overruled. They may be received.

(Thereupon GOVERNMENT'S EXHIBITS E-90 and E-91 were received in evidence.)

Mr. Thompson: No cross.

GORDON KERR, called as a witness by and on behalf of the Government, having been first duly sworn, was examined and testified as follows:

Direct Examination by Mr. Miller.

My name is Gordon Kerr. I am assistant secretary for Turner Resilient Floors. I did perform work during the year 1939 at the Bon Air Country Club. We did that work for the Lightning Construction Co. Mr. Nadherny employed us in that connection. Mr. Nadherny is an architect. We charged \$2128. for that work during the year 1939. We were paid for that work in 1939, part of it by check and part by cash. Payment was made at the Bon Air Country Club. Check was given to us by Mr. Love. Cash was given to us by Mr. Geary.

Government's Exhibit E-92, for identification, is a record of the contract amount and the payments thereon. I would call that a ledger sheet. That is part of the permanent records of our company. It is kept under my supervision and control in the ordinary course of business. It is 199 customary to keep such records in our business.

Mr. Miller: I will at this time offer Government's Exhibit E-92 for identification. You may cross-examine.

Mr. Thompson: We object. No proper foundation has been laid. It is immaterial to any issue in this case. It does not prove or tend to prove any taxable income of William R. Johnson and it is a duplication.

The Court: What is lacking in the foundation?

Mr. Thompson: Well, the document itself is obviously a ledger sheet, not an original entry.

The Court: Objection overruled.

Mr. Thompson: No connection with any of these defendants.

(Thereupon GOVERNMENT'S EXHIBIT NO. E-92 was received in evidence.)

EMERY J. FISHER called as a witness by and on behalf of the Government, having been first duly sworn, was examined and testified as follows:

Direct Examination by Mr. Miller.

My name is Emery J. Fisher. I live at 4820 North Hermitage Avenue. I am an accountant, employed by the Insulation Engineering Service Company. I am office manager and accountant. In 1939 our company had occasion to do some work at the Bon Air Country Club in Wheeling, Illinois. We were employed by the Lightning Construction Co. Our employment was supervised by Mr. Nadherny, an architect. We performed insulation and acoustical treatment at the Bon Air Country Club. I do not recall the exact amount charged by us during the year 1939 for said work and services. They were approximately 18 to 19 hundred dollars. We received payment in different amounts, some by check and some by cash. The payments were made by the Lightning Construction Co. One of them was made direct from the Bon Air—that is, I mean the payment was picked up at the Bon Air I should say.

Government's Exhibit E-78, for identification, consists of 6 pages of ledger sheets covering the various operations of work completed at the Bon Air Country Club for the year 1939. They are duplicates of the originals. The originals were mailed to the construction company at the address shown on the copies used as our ledger sheets.

Government's Exhibit E-78 are part of the permanent records of our company that are kept in the usual and ordinary course of business. It is customary in our business to keep such records. They reflect accurately the transactions recorded thereon at or about the time they took place.

Mr. Miller: I will offer Government's Exhibit E-78 for identification. You may cross-examine.

Mr. Thompson: Well, we object as immaterial, as a duplication of items in the record, a lot of unintelligible sheets that cannot be understood without explanation. They do not in any way tend to show the taxable income of the defendant Johnson.

The Court: Objection overruled; it may be received. (Thereupon GOVERNMENT'S EXHIBIT E-78 was received in evidence.)

Mr. Thompson: No cross-examination.

HAROLD PAULSEN called as a witness by and on behalf of the Government, having been first duly sworn, was examined and testified as follows:

201 *Direct Examination by Mr. Miller.*

My name is Harold Paulsen. I am secretary of the B. B. Paulsen Company. We sell machinists' mill and factory supplies. We had occasion to sell our products to the Bon Air Country Club in the year 1939. We dealt with Mr. Nadherny and Buck Hendricks in that connection. I sold them the builder's hardware. I would say the amount is between four and five thousand dollars—about 4500. We were paid. I received several payments from Mr. Geary in cash. I have seen Government's Exhibits E-82, for identification, before. These are our ledger sheets. They are kept under my supervision and control. It is usual and customary in our business to keep such records. They reflect the transactions stated thereon at or about the time they occurred.

Mr. Miller: I will at this time offer Government's Exhibit E-82 for identification. You may cross-examine.

Cross-Examination by Mr. Thompson.

This column of figures under "Debits" is the charges of the several items that were sold out there. I could not tell you what that first item, \$16.70 was—it is hardware. I could not state what the next item, \$3.61, was—there is too many of them. I don't know what any of those items were. It was all hardware—that is all I know, and over here in the column, "credits" is what somebody paid us. \$5.65 is a credit memorandum—something that was purchased and returned. I could not tell you what that was. Evidently Mr. Geary paid the \$475.83. There were a few times when we received checks. I couldn't tell you by our ledger sheet how I got that item paid, by check or by cash. I know I got the money—that is all. I know Mr. Geary gave me the money. Whenever I received the cash I got it from
202 Mr. Geary. I couldn't tell you where I got that \$475.

If I got checks they were mailed in to us, I presume Mr. Geary—I don't know—I couldn't tell you whether on his bank account—I don't know. I do know that several times I made trips out and received cash. Here is an item

of \$2514 I received cash on—hundred dollar bills, fifty dollar bills, ten dollar bills, enough to total up that amount. It is pretty hard to say whether the \$4.00 was \$2.00 or \$1.00 bills—there may have been some silver there. There is 36 cents. That is true, the odd cent was not silver—that was copper probably—all I know is that I got paid. I know that I received cash from Mr. Geary at several occasions. I don't know where Mr. Geary got the money. I don't know what connection he had with this picture. Mr. Johnson didn't pay me anything. I never talked to Mr. Johnson about this deal at all. I saw him occasionally, but I had no dealings with him, no dealings at all. The first payment made on these sheets goes back to 1938, May 4th. The 1938 account is all in these papers, too.

Mr. Thompson: I think we had better look at the other exhibits we have been passing on, your Honor. I would like to examine them, too. These were offered as 1939.

The Court: Finish with the witness.

The Witness: The first payment in 1939 was January 6th, \$88.77. I could not say who paid that. I can't say whether cash or check—we don't post it on our ledger. I don't think there is any way to determine which is cash and which is check. We post into a cash book first. That is a transfer ledger, yes, sir. Our bookkeeper makes up that transfer ledger. I did not make it up. Our bookkeeper is a man. He got his information from the reports that I would give him as I would get the cash. When he made that entry there I would turn the cash over to him.
203 When I made my report to him I would bring in the cash and say, "Here is some cash." "That is payment of the account right up to date." The amount I said I got there was \$88.77. I was out there at various times getting orders and straightening out deals that would come up. This book account I got here shows a credit of property returned on this account as well as payments. The credit memorandum is "C. M." in the book here. If you see "C. M." on there that means credit memorandum, and if you see "C" that means currency or cash or it is paid and that ends it. It is currency or check or cash, or anything else that begins with a "C"—I can not tell which it is, though. We don't keep a record of how we receive our money. The amount on these sheets prior to 1939, I would say, is \$600. The total of the accounts for 1939 is \$4526.50. There were eight separate payments

made to total that amount—I couldn't tell you how many in cash—I couldn't tell you how many by check. There is an invoice submitted for every item purchased. I put Mr. W. R. Johnson's name at the top of that sheet, at the start of 1938, when I received the first order from the grounds keeper, and I put W. R. Johnson there because I guess the grounds keeper told me to. The next entry on there is Bon Air Country Club. Evidently Buck Hendricks or Bud Geary told me to put that there. Buck Hendricks is one of the watchmen, I believe, or maintenance men around the plant there. In fact, he was the one I generally would contact to get my orders. I never knew him before I came out that way. I met the grounds keeper, who said I had better contact Bud and see if the order was O. K. to take out. The grounds keeper's name was Fred. I am sorry I do not know his last name. I guess I knew it but forgot it, but everybody called him Fred. He was the grounds keeper out on the golf course. The first time I came out I brought my catalogue along and saw Mr.

Wait, who turned me over to the grounds keeper.
204 Mr. Wait told me to see the grounds keeper about selling hardware. They were interested in getting a lot of tools to get the golf course in shape. That was golf course hardware. We sell that kind of hardware, the same as building hardware. After I saw the grounds keeper and sold him some hardware for use on the grounds then I saw Buck Hendricks. I did not see anybody else about this hardware besides Buck Hendricks. Buck was in the habit of calling our office and placing orders over the telephone. Sometime during November, 1938, we made some deal out there, and when our driver went out there the driver was informed to change the billing over to Lightning Construction Co. I can't tell you who told him that—I am just repeating our records. There were a few times that the Catering Co. bought from us. I was told by the boys that had placed the order that that was a separate charge account—I presume Buck placed the order. It is quite a long time, and it is pretty hard to remember every item. We haven't sold them anything since 1939. The last of this account is June, 1939, and it was closed out on that day. I believe that pencil total includes our credit memorandum, too. The total is less the credit memorandum—I can't tell you how many credit memorandums are in there. I did submit invoices to these people, itemizing what I had sold them, and they paid those invoices, and they were stamped

paid. They were all received. We kept carbon copies of the invoices so this is all a transfer ledger.

Mr. Thompson: We object to the document. In the first place, these cover the year 1938, which is obviously a duplicate of the Bon Air books, assuming they cover all the expenditures out there. Also, no proper foundation has been laid for the document and it is a duplication of the testimony of the witness, his summary of the testimony,

and no connection with any of these defendants and
205 does not prove or tend to prove any taxable income of

Mr. Johnson or any evasion of taxes by Mr. Johnson.

The Court: Objection overruled; it may be received.

(Thereupon, GOVERNMENT'S EXHIBIT NO. E-82 was received in evidence.)

Mr. Thompson: Now, as to those other documents, your Honor, I should like to add the objection to each one of them, without taking the time of the court to examine them, the government can be responsible for that, that if there is any items on any of those sheets other than 1939, they were all put in following questions which directed this matter to 1939, then I object specifically to those items on that ground and move to strike them.

206 BERNARD J. WHITE, called as a witness on behalf of the Government, having been first duly sworn, was examined and testified as follows:

Direct Examination by Mr. E. Riley Campbell.

My name is Bernard J. White; I live at Waukegan, Illinois. I have lived in Chicago and vicinity seven years. I am auditor for the Cecilia Company.

I worked for the Daily Racing Form from 1929 until 1936 as a bookkeeper, and from 1936 until 1939 I worked for the Nationwide News Service. My work consisted of auditing and supervising the records. My educational training in bookkeeping and accounting was high school and a year at Columbia University. I do not hold any accounting degrees of any kind.

I was bookkeeper for a corporation known as the Nationwide News Service from September, 1936, until December 29, 1939.

Government's Exhibits O-11 to O-15, inclusive, for iden-

tification are visible records of transactions with subscribers to Nationwide, Illinois Nationwide News Service. I worked on these records occasionally and supervised them. It was the usual and ordinary course of business of the Nationwide News Service to make entries in these records to which I have just referred, and they are a part of the permanent records of Illinois Nationwide News Service; the entires therein were made at or about the time of the transactions to which they refer, and relied on by that company in the conduct of its business, as far as I know.

Q. Now, can you state in general what the business of the Nationwide News Service was.

Mr. Thompson: Object to this as immaterial.

Mr. Campbell: It is a general question, your Honor, as to what the business of the Nationwide News was.

The Court: Overruled.

The Witness: Gathering and distributing news, particularly racing news. These books and records to which I have just referred purport to show the payments for service rendered—news service rendered to subscribers. These books and records, as far as I know, show accounts between the Nationwide Service and its customers.

Mr. Thompson: We move to strike the testimony of this witness as having no connection or relation to this case.

The Court: You undertake to connect it up?

Mr. Campbell: Well, your Honor, I have identified certain books and records here. I haven't offered them in evidence at all. The answer is yes, it will be connected up, but if counsel wants to cross-examine on the admissibility of these, why, now is the time to do it, it seems to me.

The Court: He made a motion. The motion will be denied, on the undertaking. Any cross-examination?

Mr. Campbell: Well, I will ask the witness another question or two, if I may.

Q. Do you know whether these books which you have identified, Government's Exhibit O-11, to 15, inclusive, whether they show transactions between the Illinois Nationwide News Service and one Flanagan?

A. I recall that they do.

EDWARD LENZ, called as a witness on behalf of the Government, having been first duly sworn, was examined and testified as follows:

Direct Examination by Mr. E. Riley Campbell.

My name is Edward Lenz; I live at 3710 Circle Avenue, Chicago, Illinois. I was formerly with General News and Nationwide News. I have been connected with the Nationwide News Service since 1916.

Government's Exhibit O-11 to 15, inclusive, for identification are records of Nationwide News. Prior to coming on the stand, I have seen these records off and on for possibly ten or twelve years at the offices of the Nationwide News located at 431 South Dearborn Street, Chicago. The business of the Nationwide News Service was the gathering and dissemination of sporting information. They specialized in race horse information, but we also handled other sources of information. We would gather news, purchase it at race tracks and sell it to whomsoever wanted to buy it. The race horse information consists of making line, jockeys, scratches, results, mutuels, entries, from the different race tracks throughout the country. It was gathered at the tracks and delivered to different distributing points throughout the country where it was sold; one of those distributing points was Chicago.

209 I was the general manager of Nationwide News Service.

Q. To what use, if you know, did customers of the Nationwide News Service put this information which you have described in your testimony, to what use did they put that information?

Mr. Thompson: We object to all this as immaterial: in no way connected with any of these defendants.

The Court: Overruled.

Mr. Thompson: The question is entirely too broad.

The Court: Overruled.

The Witness: We gathered and sold news to whoever would purchase it, and what they done with it, we didn't care; it was used to make book with; by that I mean the same as you would go out to a racetrack and bet on a race horse, you could bet at a handbook.

Mr. Thompson: We object to that; general use without any connection.

Mr. Campbell: It is a technical term.

The Court: Do you know of it being used for anything else?

The Witness: It was also furnished to newspapers, International News, Associated Press, United Press. I don't know how many different press organizations throughout the country also got it.

The Court: Was it sold to people who kept gambling institutions or to people who further distributed the news?

The Witness: Precisely.

The Court: Do you know of it being used by anyone else?

210 A. No, I do not.

Mr. Campbell: Q. Do you know the defendant William R. Johnson?

The Witness: I have met him at times, yes, sir. I have heard of him possibly fifteen, eighteen years ago, and know him to talk to him maybe about ten years. He is the gentleman in back of counsel here.

I believe I met the defendant Flanagan once or twice in my life (indicating the defendant Flanagan).

I believe I had a conversation with Mr. Johnson about 1935 pertaining to a rate for service; we were attempting to get more money for our service. Nationwide News charged for supplying this information which I have described. I believe this conversation with Mr. Johnson was with reference to that charge. I believe it occurred at 4003 Ogden Avenue. No one else was present other than myself and Mr. Johnson.

Q. State what was said and done at that time between you and Mr. Johnson?

Mr. Callaghan: Object to conversation in the Spring of 1935. This is the charge of violation of income tax laws insofar as returns are concerned for 1936, 1937, 1938 and 1939. The alleged conspiracy is said to have been done some time early in 1936.

The Court: Well, it would be admissible against defendant Johnson, at any rate. Whether it would be admissible against the other defendants is not now necessary to determine, but it may be determined. Overruled.

The Witness: It appears to me that there was a rate set at that time to the amount of of 200 per week; 211 offhand I can't recall. For some unknown reason, which I do not recall, the rate was reduced to a hundred. I believe I spent four or five minutes talking to Mr. Johnson and the rate was increased, to the best of

my memory, back to \$200.00. That was about the sum and substance of the conversation. I would not recall the exact reasons as to why the rate should be increased for 100 to \$200.00. It appeared that the place did have a tremendous overhead, and, if I remember correctly, conditions in the City of Chicago weren't so very good, and he probably or possibly had a just cause for complaint. Nationwide based its rates on locations of places, caliber of places, and general appearance would about base what the rate would be. I don't recall anything said at this conversation with respect to the patron visiting the places concerned in this rate-making conference.

The account of J. Flanagan, I believe, was involved in this conversation.

I don't recall if Mr. Johnson in that conversation said anything about other forms of gambling besides betting on horses. He may have at some later time; I don't offhand recall. This all goes back for a period of years and we dealt with so many accounts that it is pretty hard to be specific.

I believe there were five locations involved in this discussion between myself and Mr. Johnson. To the best of my memory, there was Kedzie and Lawrence, Irving Park and Milwaukee, Crawford and Ogden, 63rd and Cottage, possibly 55th and Lake Park, and I believe one in the County, I don't know just whether it was in Tess-212 ville. I believe there were five at that time. I think the Irving Park and Milwaukee place was in the 4700 block. It did not have a name, to my knowledge.

The address at Kedzie and Lawrence was called the Horse Shoe; Ogden and Crawford was just Crawford and Ogden, as I knew it to be called.

I believe there was a place in that particular territory at that time—Dev-Lin or the Lincoln Tavern, although I don't recall talking with Mr. Johnson about that place. Mr. Johnson did not make known to me that there were other forms of gambling conducted in these various locations; that wouldn't be necessary. He did not make that known to me. I believe those records would show, although I don't know how the conversation came about and how it was arranged.

The Flanagan rate, as I recall, was \$200.00 at that particular time, and for some reason, one or another, the rate was reduced either to 100 or less, and as things became normal it was only natural for General News—I believe it was was General News at that time—to have the account

go back to its original rate. I believe I called Mr. Flanagan on the telephone and advised him of the same. The result of which was the appointment later on in the evening. I believe I made it with Mr. Flanagan, and when I arrived, Mr. Johnson was there. I believe I called Rockwell 5900 to reach Mr. Flanagan. The time of these conferences between myself and Johnson occurred between 7:00 and 7:30 o'clock.

I noticed a lot of sheets on the wall; they were horse race sheets used in connection with betting on the horses. There were a few gambling games around, I believe, chuck-a-luck, a restaurant, and a bar—rather, a soft drink stand—and a group of tables. I saw probably a half dozen different games in there. I don't remember in particular what they were. I very seldom go around gambling houses, although I would recognize a crap game or a roulette wheel, if I saw one. I don't remember offhand how many tables were there. Very few people were present in the Lake Park room at that time; I don't believe there was a half dozen in there.

I believe the conversation with Mr. Johnson occurred at the lunch counter.

There was a conversation between myself and one James M. Ragen and this same Mr. Flanagan in 1938; it happened at the office of the Nationwide News. The conversation related to rate again. I believe that incident was similar to the 1935 incident, there than we wanted to get more than \$200,000 for the different locations. The original rate—\$200,000, apparently took care of the places Mr. Flanagan had on at that time. As I recall this second conversation between Mr. Flanagan and Mr. Ragen, it seemed there was a place added on about 97th and Western. Offhand, I don't know if they had a direct line in there, or whether it was furnished by Mr. Flanagan or Johnson from Crawford and Ogden Avenue. It is hard to say authentically what the exact conversation may have been about all of the places. Some conversation as we had, though related to the rate on the locations discussed. The rate then would average about \$30.00 per week. I believe at that time there were four or five added to their group which we had furnished with a direct line from 431

South Dearborn. They were paid at the rate of \$30.00 a week, in addition to the Flanagan account which, to the best of my knowledge, then, was \$200.00 per week, I believe there were four or five other locations at \$30.00 a week.

Q. Was there anything occurred between this conversation and the second conversation between yourself, Ragen, and Flanagan, with respect to that basic rate of \$30.00 a week? Was there anything occurred between you with respect to that?

Mr. Thompson: I object to that as not being connected with any of these other defendants.

The Court: Overruled.

Mr. Thompson: We object to it as calling for a conclusion, anything that occurred between—

The Court: What was said and done? You have not told us all of it, have you?

The Witness: Well, it was natural for Nationwide to try to get more than \$30.00 per week for an account if the account appeared to be worth more. However, what the eventual settlement of the thing was, I don't know.

Mr. Campbell: Q. What did Flanagan say to you as to increasing that \$30.00 rate, if anything?

The Witness: I believe Mr. Flanagan said the place was not worth more than \$30.00 a week. From that point on I had very little to do with the Flanagan account, or, as a matter of fact, any accounts. There might have been another conversation concerning this same subject matter about a week later which was discussed with Mr. Flanagan on the second occasion; I don't recall offhand.

215 Q. Well, was there not a conversation where Mr. Johnson, Mr. Flanagan, yourself, and Mr. Ragen were present?

Mr. Thompson: We object to cross examining their own witness, leading him.

The Witness: There was a second meeting.

The Court: Overruled.

The Witness: I believe there was a third conversation where Mr. Johnson was present. That evidently took place at 431 South Dearborn—the same office. At that time Mr. Flanagan's conversation to Mr. Ragen was this: That if the place warranted paying any more, he would come in just as soon as possible and pay what the place was really worth. I can't recall if Mr. Johnson was present; I think it was in the afternoon. I hardly think Mr. Johnson was there; I don't know offhand.

These conversations didn't last more than five minutes at any time. I have about said what was said and done. We attempted to get more money.

The Court: What did you say about it?

The Witness: We believed the service was worth more money.

The Court: What did Mr. Johnson say about it, if he said anything?

The Witness: He said it was not worth—this is going back, and I had to deal with many, many subscribers. I can't recall.

The Court: What is your best recollection?

The Witness: That is the best of my recollection, they said it was not worth any more than he was paying; I believe he said that.

216 Mr. Thompson: We move to strike the summary of the conversation. He has not testified that Mr. Johnson said anything on the subject. This is Mr. Flanagan's account.

The Court: Overruled.

Mr. Campbell: (Continues examination.)

The Witness: That is about the sum and substance of Flanagan and Johnson. Again, your Honor, I can't authenticate just exactly word for word the conversation. It appeared that Mr. Flanagan done most of the talking, and his rate was so much. We were getting at the rate of \$30.00 per week for each extra book that was put on at that particular time. I would say that was 1938. From that point on, like I said, I had very little to do with the Flanagan account.

(The following proceedings were thereupon had out of the presence and hearing of the jury):

Mr. Campbell: The Government desires at this time to make a showing to the Court that the witness is hostile.

Now, he has not told the same facts with respect to these conferences between himself and Johnson which he previously related under oath, and which he verified yesterday; in particular, the question of the third conference, as well as the first conference, where the witness has answered—I quote from his own statement. (Reading):

"During the course of various conferences between Mr. Johnson, myself and others at the Nationwide offices with reference to rates charged to Mr. Johnson for Nationwide News Service, Mr. Johnson argued that his rates should be lower in comparison with the rates charged to other bookmakers because customers were drawn into his places by other gambling games rather than by bookmaking activities."

217 Mr. Campbell: It seems to me that the witness has not admitted that much of his testimony. To that extent, we are surprized at his answers, in that they are hostile, and we ask that he be declared a Court's witness, and we be permitted to cross-examine him.

Mr. Thompson: If the Court please, that is obviously a statement drafted by the United States Attorney; not one made by Lenz, and a mere conclusion, which is merely putting words in the witness' mouth.

This Flanagan account, if Mr. Johnson was there interceding for Mr. Flanagan, no doubt he did make some arguments, one way or the other, and we have no objection to statements being made as to exactly what Mr. Johnson said or Mr. Flanagan said, but it would be confusing to put into Mr. Johnson's mouth what Mr. Flanagan said, or into Flanagan's mouth what Johnson said.

Mr. Hess: That is right.

The Court: You may cross-examine him. Bring in the jury.

(The following proceedings were thereupon had in the presence and hearing of the jury:)

The Witness: I recognize the signature on the back page of Government's Exhibit O-16 for identification; that is mine.

I know a man by the name of Tracy Stains. Mr. Stains asked me questions that had to do with that statement in my signature. Mr. Stains swore me to the correctness of that statement and I affixed my signature pursuant to that oath. The initials appearing on each page of this statement, Government's Exhibit O-16, are mine.

218 Q. Now, Mr. Lenz, I will ask you if on or about August 28, 1940, this question was not put to you and this answer given—

Mr. Thompson: If the Court please, this is obviously, from what I have heard, the swearing of a witness before some Notary Public who has no authority to put a witness under oath, and the examination is a mere extra legal examination, without any attempt to be a report, as I understand it, of the specific words of the witness, but a summary of his statement as it is concluded by the examiners; furthermore, they have not shown how many were examining this witness, where this all took place, under what circumstances, and so on—who was present.

Mr. Campbell: I suggest it is proper cross-examination.

The Court: Proceed with the question. Overruled.

Mr. Campbell: Mr. Lenz, on or about August 28, 1940, was not this question put to you in this building, and this answer given (Reading):

"Q. Did you have any discussions with Mr. Johnson relating to the inadequacy of his rate as compared with other bookmakers?

A. During the course of various conferences between Mr. Johnson, myself and others at the Nationwide offices with reference to rates charged to Mr. Johnson for Nationwide News Service, Mr. Johnson argued that his rates should be lower in comparison with the rates charged to other bookmakers because customers were drawn into his places by other gambling games rather than by bookmaking activities."

219 Mr. Campbell: Q. Did you make that answer?

The Witness: That is true.

In the year 1935, the places discussed were the original five, I believe; in the year of 1938, the places discussed were the second four or five that I mentioned. Offhand, I can't recall if 119th and Vincennes and Blue Island were discussed, but it seems like it may have been because there was a place in that vicinity. I believe I did refer to that in my statement.

They had a private line out to 7212 Circle Avenue, I believe in Forest Park or Maywood—west. I believe that account paid right through to the General News. I had no knowledge that it actually belonged to anyone outside of the man that paid for it.

I believe the Harlem Stables was discussed in these various conferences. The Harlem Stables, to the best of my knowledge, was started some time in late 1937 or early 1938.

There is an account on these books, Government's Exhibits O-11 to 15, inclusive, for identification referring to these various locations I have mentioned, although I didn't keep the books myself. I have seen some of those names on there, I believe.

There was no change made in that \$30.00 rate as applied to the later locations I have mentioned at this last conference at which Mr. Johnson was present. The rate remained about \$30.00 a week for the extra locations, in addition to the \$200.00 rate. All told, the total payments made to Nationwide News Service per week were about \$400.00—possibly a little more.

220 In discussing this matter of rates at these conferences concerning these particular rates, other than Rockwell 5900, I believe I had Rockwell 5901, and I think I had Crawford 1918. Those are the only three numbers I would recall.

Q. This information which you discussed with Johnson in the first conference, where was that information delivered to by Nationwide News Service?

Mr. Thompson: We object to that as assuming any information was discussed by Mr. Johnson; interceding about some rates is all he has testified to.

Mr. Campbell: It involves these locations and witness has testified to. I think we are entitled to show it.

The Court: What is the question?

(Pending question read by the reporter.)

Mr. Campbell: Q. Do you know where it was delivered to?

The Court: He may answer.

Mr. Thompson: We object to the statement that Mr. Johnson talked about information to be distributed to anyone.

The Court: Well, he talked about rates?

The Witness: Yes, sir.

The Court: Rates for what?

The Witness: Rates for the information that was delivered to him.

The Court: Go ahead.

The Witness: Delivered to Flanagan.

The Court: Answer the question.

The Witness: The news was delivered on a teletype machine at 2141 Crawford Avenue.

221 Mr. Campbell: Q. Did the News Service later deliver this same type of information to some other location besides 2141 Crawford Avenue?

The Witness: I believe the machine was moved from 2141 Crawford Avenue to Irving Park and Milwaukee some time during 1938.

The Court: What kind of machine?

The Witness: Teletype machine.

Mr. Campbell: Q. That is 4715 Irving Park Boulevard?

A. 4715 Irving Park.

Mr. Campbell: That is all, your Honor.

The Court: What kind of teletype machine?

The Witness: Similar to a typewriter, other than you

work it like a typewriter and a tape will come out on the receiving end, a printed tape similar to a Western Union ticker.

Cross-Examination by Mr. Thompson.

I believe I started to work for the Nationwide News Service in 1916 or 1917; it might be twenty-three or twenty-four years. It was one of Annenberg's services later on. It has been out of business since November 15, 1939.

I believe there were four conversations during the Annenberg trial that I had with the representatives of the United States in connection with this news service and those customers. They first commenced talking to me about this

during the Annenberg trial, I believe it was during last 222 August or September. They did not start long before that time to interview me and the other employees.

When they first talked to me about that case, it was in the Grand Jury room; I was subpoenaed before the Grand Jury and they asked me questions similar to these. I believe I was taken into the office of the District Attorney before I was taken before the Grand Jury. The interview lasted possibly five or ten minutes. I don't recall offhand. I don't believe these books were present at that time.

I have a very keen memory for telephone numbers. I can remember them; that has been my training over a period of years.

The Nationwide News had about three or four hundred accounts in Chicago in 1935; I remember an awful lot of the telephone numbers; I don't remember all of them. I had a conversation with the different proprietors respecting their accounts during 1935. These proprietors moved around from spot to spot; it was customary to have more than one spot. They would go up there and use one a while and then move over and use the other one a while. Part of the time they would work in the city and part of the time out in the country; part of the time in the basement and part of the time in the loft. The services that we were furnishing was telegraphic news of information regarding the races down at the race track. The morning line was what horses were entered, how they were lined up for the morning. We gave a little story about the jockeys who were going to ride the horses, and so on. We gave the approximate board readings that appeared just before the race started and the

description of the race as it was being run and the re-
223 sults and the mutuels. We gave the whole story from
morning clear on through until the race was complete,
and the pay-off took place. It was furnished out of the New
York office to all the different press associations, who in
turn furnished it to the different newspapers; as a matter
of fact, most of the newspapers in the United States. The
newspapers here in Chicago—the races were being run out
at Washington Park—would have all this information in its
noon edition, the line-up, morning line, jockeys, horses' his-
tory, jockey's history, etc. It would have all the odds in
there up to that point. That was furnished through our
New York office. Most of that information was furnished
to Associated and United Press members, who in turn may
have re-hashed it. Each newspaper would maintain their
own sporting writers or editors. We had a rate for this
service that we charged a customer.

Q. As far as these bookmakers around Chicago were
concerned, your rate was whatever you could get?

A. We like to establish a fair rate. The rate was, I
would say, would average 25—for last year the average
rate was possibly somewhere between 30 and 35 dollars per
week.

We had inspectors going around and checking up on these
different bookies. It was customary to raise his rate if he
was getting a big play and making money. If he was getting
a poor play for a while, was being pushed around a little,
we lowered his rate for him. There were many weeks of
service given away so that our rate to bookmakers around
Chicago was dependent upon what they were doing at the
particular time, what their business was.

224 We furnished services by direct wire to some of the
points to some customers in Chicago. We had this
teletype which was a typewriter operated by electrical
impulses, and we wrote off the message on there for the
bookie, and that we sent from central headquarters. That
information written off on this typewriter by electrical im-
pulses kept the bookie right up to the minute with the news
on the race track.

Q. Now, the thing is all these bookies who subscribed
for your service have the right of copying it and selling it
to some other bookie?

A. That was customary, but it was not in the case of
a majority of subscribers. At times we would find a fellow

that would try to put one on for himself and get the benefit of the news for nothing. Once in a while we would find a man who was subscribing for our service and then he would pipe it out to a couple or three neighbors. They would then split the cost. That is what we had these inspectors around for.

Mr. Flanagan was a subscriber for our service. To the best of my recollection I would say the account of Flanagan had been on the Nationwide, on the General News books, at least ten years. His address was in the vicinity of Crawford and Ogden; whether it was 4003 or not, I don't know. I don't recall what his telephone number was at that time; you are taking me back a little too far.

About 1935 I had known Mr. Johnson for quite some time. I believe I had seen him and talked to him at different places. He did not have an account with us. My dealings were always with Mr. Flanagan. I notified Mr. Flanagan along about 1935 that his rate was going to be raised. I believe I called him on the telephone and notified him.

I don't recall the exact conversation, but it seems like there was an appointment made for me to meet Mr. Johnson at 4003 Ogden Avenue that evening. To the best of my memory, I talked with Flanagan and he wanted me to see Johnson. I may have talked to Bill Johnson offhand on the telephone; I thought I talked to Mr. Flanagan. I talked to Mr. Flanagan and the appointment was to meet Mr. Johnson. I met Mr. Johnson there. We talked about the service in general, like I said before. Those records evidently would prove that his rate was the customary amount at that time. My mission out there was to meet Flanagan; at least I had talked to him. When we were out there I met Bill Johnson who done the talking. According to the books, Flanagan's rate was raised; it was close in there, some time about 1935. I will say it was 1935; seems like it was March of 1935, the Spring of the year, if I recall right. General memory, I suppose fixes the date. It has not been suggested to me in any of these conversations or interviews. I fixed it by my memory. I would remember the telephone conversation and the fact that the rate was so much and we wanted to get more. If it happened about in 1935, I believe it was in the Spring of the year. The \$200.00 rate paid for the places that they were servicing at that time, and because of the trouble, one thing and another, the rate was evidently cut to a hundred. In talking to Mr. Flanagan on the 'phone,

it was to get the rate back to 200. The result was I met him out there. As I recall, the rate was then set at 200. I got the rate for Mr. Flanagan at 200 dollars for the teletype service going to 2141 Crawford Avenue. The 226 general agreement was that under that rate he was entitled to furnish it some other customers. That 200 dollar rate was set for the five accounts that were on at that particular time during 1935; that would be \$40.00 in account. There may have been another account; I don't know offhand.

I don't recall if there were other institutions in town where one customer would buy the service from us and then redistribute it to other customers. Later on there may have been, but not at that time. There may have been a lot of them we did not know about, but at that time they did not maintain any outside men to go around. I am talking about 1935. I believe there were one or two inspectors in 1935. The controversy may have arisen by reason of the reports of some inspectors; I don't know. There was enough general comment and conversation on the street that you can find out most anything you wanted without having investigated. In them days the news business was not anything like it was in later years; I refer to our news business.

I would say maybe four hundred places were operating in Chicago in 1935. I believe we actually had about 750 accounts, might have been more in 1939. Customers after 1935 just naturally increased—so many per year. I don't know if it went up to 900 by 1939, but I believe it was somewhere between eight or nine hundred, including the County accounts outside of the City of Chicago.

Evidently things went along smoothly with Mr. Flanagan between 1935 and 1938. I do not recall a conversation with Mr. Flanagan in 1936. I don't think I had another conversation with Mr. Flanagan until 1938. I was not 227 personally acquainted with Mr. Flanagan in 1935 when this first conversation took place; as a matter of fact, I don't know very much about him. I did not meet him until he walked into the office in 1938. He was an account on our books in 1935; that is about all I knew. When I talked to him, he wanted me to talk to Mr. Johnson.

I believe in 1938 I had another conversation with Mr. Flanagan alone. I can't remember the day of the year. In 1938, but it seems like it was about the time the place was started there at 111th and Western Avenue, 97th and West-

ern Avenue. We set the rate on that place. If I recall they could not get facilities between certain points, to Evergreen Park where this particular Beverly Hills place was located. I don't know authentically, but I believe we put our own private line in there from 431 South Dearborn to 111th and 97th and Western. That may have entered into the conversation. I think the thing mostly concerned was the rate for the place. It seems to me like it would be some time in September or October, the latter part of the year 1938; it would be about the latter part of 1937. I can't recall offhand. I did not pay much attention to the Flanagan account after 1937. That was handled by other people. I happened to be sitting in these conferences when he walked in.

I think the last conversation I had was in the latter part of 1937. When you try to think of a million things and answer a lot of questions that cover so much territory, it is hard to remember exact dates; it is hard to remember exact conversations. I am just trying to give these answers to the best of my memory and ability.

228 I believe Mr. Flanagan and Mr. Johnson came in together previous to this conversation with Mr. Flanagan. What type of conversation there was there, and what particular place it pertained to, I can't remember. I can't recall if it was before or after my conversation with Mr. Flanagan that Mr. Johnson came in with Mr. Flanagan. They were still talking about Mr. Flanagan's account.

I believe this statement was taken last Tuesday; that is the date. It might have been last Wednesday. I believe it was after this trial started. I think it was between ten and twelve o'clock.

Mr. Thompson: Q. Mr. Lenz, what was the last question I asked you before the recess?

A. I don't recall that, offhand, just what it was. Would he have a record of that there?

Q. Yes, he has got a record of it, but I just want to know how good a memory you have.

(No audible answer.)

Q. When was this last conversation you had with Mr. Johnson?

The Witness: The last conversation I had with Johnson was in the office of the Nationwide News. I think it was late 1937 or 1938. I don't recall offhand whether it was late 1937. It was about the time the place was started out at 97th and Western. It took place at 431 South Dearborn. I believe it was in the afternoon, about two o'clock.

James M. Ragen is the boss down there; he has three or four brothers. I believe that was his son that was there; James, Junior, was there. His brother's name is Frank Ragen; he may have been there, and may not; I don't recall offhand.

229 Q. See if you can't recall that Frank Ragen and

Mr. Flanagan here walked into the office together about two or two-thirty in the afternoon and that they met Mr. James Ragen and Mr. James Ragen, Junior, and talked with them. You were present in the room. And about this service Mr. Flanagan made his arrangements with them there. Mr. Johnson was not present.

A. I believe you are right. Mr. Johnson was not there at that time.

Q. Now, the only time that you had a talk with Johnson about this was that one time back in 1935, wasn't it? Now, have you refreshed your recollection?

A. I don't recall. He might have been in there twice. He might have been in there once; I know that he was in there once.

Q. You saw John Flanagan very frequently, didn't you, that is, as the business went along, as the years went along?

A. The man I had always thought was Flanagan was the man that came in and paid the bills. That was the man I was under the impression was Flanagan; as a matter of fact I called him Flanagan. It was not Johnson. My business was usually with Flanagan on rates. That is up to about 1937 or 1938. Then I did not get in on the conversation. I didn't have any business with any of them to any great extent.

I answered questions similar to that in the grand jury last year, I believe, during the Annenberg trial, as contained in the statement made a week ago today during the investigation of this Nationwide News Service of Annenberg, his officers and associates.

230 I was asked some questions in the District Attorney's office prior to this time last Wednesday. I made a statement there; I did not see any Notary Public. I was in conversation with Mr. Stains and Mr. Plunkett, I believe. I believe there was a stenographer there; nobody else. I got there at ten o'clock and was excused until two. I waited around there until about twelve-thirty and came back at two and waited until about five or five-thirty, and stayed there until about six-ten or six-fifteen. I only talked to them dur-

ing the time that statement was being prepared. The rest of the time I was just waiting. I came back the next day and signed the statement; I believe it was about ten-thirty or eleven o'clock. The girl was making notes; I was answering questions.

Mr. Thompson: Q. Is this your language? Now, be careful about this.

"A. During the course of various conferences between Mr. Johnson, myself and others at the Nationwide offices with reference to rates charged to Mr. Johnson for Nationwide News Service, Mr. Johnson argued that his rate should be lower in comparison with the rate charged to other bookmakers because customers were drawn into his places by other gambling games other than by bookmaking activities."

A. Those are my words, yes.

I asked for a copy of it, but I never read it. I don't think there was anything in there that was other than what to the best of my knowledge and belief was true. I had no

231 fear or thought of anything wrong in my statements;

I read it before I signed it. It took me possibly ten minutes to read it; I believe there are ten pages. I might have been a little longer reading it. Mr. Stains was there and a stenographer when I read it. After I got through reading it, I signed it and was excused. Nothing at all happened, except I signed it; that is all. Mr. Stains did not swear me to this statement. Before I ever made any statements at all, he asked me, will I tell the truth, the whole truth and nothing but the truth, and I said I usually tell the truth of anything I know about; to the best of my knowledge and ability I do. Mr. Stains asked me that. He did not say in what capacity he was pretending to swear me. I don't recall him mentioning anything like by what authority he was pretending to swear me. I believe he is a prosecutor; I have not had much experience in courts.

I did not ever tell anybody before last Wednesday that Mr. Johnson had these conversations with me. On the last Annenberg investigation I was asked that question about Johnson and one thing and another and I repeated similar to the text of that conversation there, the very same thing; I mean when they were investigating the Annenberg News Service. I never made any statement to anybody else about it; not until last Wednesday. There is no other statement around here that I have seen. Before last Wednesday, I

talked to Mr. Stains and Mr. Plunkett on Tuesday. Prior to that I talked to no one.

232 On this case I never was before the Grand Jury. I believe the first time I was before a Grand Jury was in the fall of last year, 1939; it might have been August or September. It was during the Annenberg trials, Nation-wide trials. I believe it was on a Monday; I wouldn't remember the exact date.

I now reside in Chicago at 5710 East Circle Avenue. I came from that address this morning. I have not been living at that address; I have been in Cleveland for the last six or eight months. I was subpoenaed from Cleveland; that is where I came from to make this statement last Wednesday.

Redirect Examination by Mr. E. Riley Campbell.

During the War I was an instructor in radio, continental codes and transmission at Harvard University.

TRACY R. STAINS, recalled as a witness on behalf of the Government, having been previously duly sworn, was examined and testified as follows:

Direct Examination by Mr. E. Riley Campbell.

My name is Tracy R. Stains; I took the stand here heretofore and at that time I was sworn. I am the Mr. Stains referred to by the previous witness. I hold the commission of Deputy Collector of Maryland, and also a commission as a Special Agent, Intelligent Unit, Bureau of Internal Revenue.

Q. In the ordinary course of your work as a Special Agent of the Intelligence Unit of the Bureau of Internal Revenue, is it your customary practice to administer oaths to witnesses when you so desire?

Mr. Thompson: We object to the matter of what the custom is. No authority under the law. If there is, the Court takes judicial notice.

Mr. E. Riley Campbell: I am entitled to go into what his practice is.

The Court: He may answer.

A. I do.

Mr. E. Riley Campbell: Before the next witness takes the stand I am going to offer in evidence Government's Exhibits O-11 to O-15, inclusive, for identification, the same being the books of the Nationwide News Service, which were referred to by the witness White, and to some extent by the witness Lenz. I think the proper foundation has been laid.

Mr. Thompson: We object to the documents. No proper foundation has been laid for their reception in evidence; not identified with any of the defendants, excepting possibly the defendant Flanagan, and they are not even identified definitely with him; they do not tend in any way to prove any of the issues in this case; certainly do not tend to prove the taxable income of the defendant Johnson or any attempt to evade the payment of taxes on his income.

They show, of course, hundreds of accounts, I assume, from the great volume of the documents, of Nationwide

News Service, to which these defendants are in no way 234 connected at all; and certainly this record will require a box car to haul it away if we are going to put in this kind of evidence. I assume there are three or four pages in here on which the name Flanagan appears.

Mr. E. Riley Campbell: I submit, your Honor, that the proper foundation has been laid.

The Court: They may be received in evidence. If it is necessary to make a record on appeal, parts of the exhibits which have no bearing upon the issues before the Court may be eliminated from the transcript.

Mr. Thompson: Well, if the Court please, these documents have not been examined by the Court at all. I think you will find there is no identification, no intelligible information which has been pointed out which anybody could find. Certainly the jury should not be expected to go through, oh, I should say four or five thousand pages here to try to find some information about something.

Mr. E. Riley Campbell: There is a way to enlighten the jury on matters of that sort if it becomes necessary.

The Court: They have been received.

(Said instruments, so offered and received in evidence, were thereupon marked GOVERNMENT'S EXHIBITS O-11 to O-15, inclusive.)

HENRY STAR, called as a witness in behalf of the Government, having been first duly sworn, was examined and testified as follows:

Direct Examination by Mr. Miller.

My name is Henry Star.

235 Mr. Thompson: If the Court please, before we get farther away from these exhibits, I want you to see this. I move to strike this document, O-14, the contents of it, down there, which has not been proven at all, bottom of the page. That is just one thing. (Handing exhibit to the Court.) I haven't had time to look through the rest of them.

The Court: Denied.

The Witness: I live at 6127 North Claremont. My business is Secretary of Frank Star & Son, sheet metal and roofing contractors.

During the year 1939 I had occasion to do work at the Bon Air Country Club. We were asked to figure on the work by Mr. Nadherny, the architect; received the contract. I believe that work ran into approximately \$10,000.00 or \$11,000.00. I was paid for that work; we were paid through the Lightning Construction Company; I believe most of it was checks; one payment, I believe, in cash.

Government's Exhibits E-93 and E-94 for identification are ledger sheets on this particular work. They are a permanent part of the records of our company and they are kept under my supervision and control; the entries on Exhibits 93 and 94 were made in the usual and ordinary course of business. It is customary in our business to keep such records, and the transactions reflected on these records were recorded at or about the time they occurred.

Mr. Miller: The Government will offer Exhibits E-93 and E-94. You may cross-examine.

236 *Cross-Examination by Mr. Thompson.*

I did not make these entries; our bookkeeper did. I believe the first entry is in March, and I don't know, off-hand, when the last entry is; some time during the summer; probably May or June. One year is covered on these two

sheets of paper. There are various persons' accounts on these two sheets of paper. I don't know how many. Exhibit 93 for identification starts with the year 1935, and the account winds up with 1940.

With reference to the next sheet, 94, we have what we call a contract book in which the items are entered as we receive them and then as the work is completed it goes through the journal, through the ledger, and is charged to the party. The charges to Mr. Cowen and to B. R. Kellac & Co., Lowenberg, have nothing to do with this job. They have nothing to do with the Bon Air. I identify the account here that has to do with the Bon Air job; there is written in there, Bon Air, Lightning Construction Company, Bon Air. That account continues from there on to the next page. I have not totaled on here anywhere the sum of money—there is a balance brought forward from time to time, usually at the end of the month, or when a payment is made. The last payment was made on this on August 16, 1939, \$2,798.14; that was the last payment; that closed the account. I don't know what the total was prior to that, except just by recollection. We would have to total up the debit items, get the amount of the work.

Mr. Thompson: We object to the documents as cumulative of the witness' testimony and as immaterial to 237 any issue here; tend in no way to prove the taxable income of the defendant Johnson; no way identified with the defendant Johnson; and on the ground that there is a lot of material on these two sheets that have no connection with the accounts of Bon Air, if any.

Examination by the Court.

The references to Bon Air begin right there (indicating); that is the item 1939, three fourteen, Lightning C. Co., with Bon Air above it. That is so on the reverse side of the sheet marked E-93; continues down to the bottom of that page and then it goes right here (indicating) to E-94.

The Court: They may be received. Objection will be overruled.

(Said instruments so offered and received in evidence were thereupon marked GOVERNMENT'S EXHIBITS E-93 and E-94.)

R. B. REEDY, called as a witness in behalf of the Government, having been first duly sworn, was examined and testified as follows:

Direct Examination by Mr. Müller.

My name is R. B. Reedy; I live at 3726 North Kedvale. My business is plumbing and heating contractor. The name of my company is R. B. Reedy Company; I am president of the company.

I know the defendant, William R. Johnson. I have done some work at his home near Lombard in the country. 238 I don't know just what street, where it is. That would be on what was known as the Sunny Acres Farm; I did that work in 1939, I think. We put in some new bathrooms. We fixed up some of the farm houses too. I don't know exactly what it amounted to. I don't remember how much I charged Mr. Johnson, but I could see in the books.

We did do some work at the Bon Air; I worked on Mr. Nadherny's orders; he was the architect. The amount of work done at the Bon Air was around \$30,000.00; I was paid for that work. I was paid in checks, in cash; I received the payments from Bud Geary out at the Bon Air.

I have seen Government's Exhibits E-97 and E-98 for identification before. They are ledgers out of the books, our books. They are part of the permanent records of our company. They were kept under my supervision and control and were made in the usual and ordinary course of business. It is customary in our business to keep such records, and the entries made on these records accurately reflect the transactions at or about the time they occurred.

239 Government's Exhibits E-97 and E-98 for identification are ledger sheets; one is Lightning Construction, and one is Bon Air; E-97 is a ledger sheet purporting to be the account of Bon Air. Exhibit E-98 is a ledger sheet containing the name of the Lightning Construction Company. The top two items on that sheet are designated "Bon Air"; December 31, 1938; February 28, 1939; April 29, 1939; March 31, 1939, and May 31, 1939.

Mr. Miller: The Government will now offer EXHIBITS E-97 and E-98 for identification into evidence.

Cross-Examination by Mr. Thompson.

I do a general plumbing and heating construction business. I have done business in and about Chicago. I have been in business in this vicinity since 1915.

The work done at Mr. Johnson's farm and also out at Bon Air Country Club were merely two jobs out of many done in that period of time.

I didn't make my contract direct with Mr. Johnson for the work I did at Sunny Acres Stock Farm, I talked to Mr. Nadherny, the architect. He made a contract with me for the work to be done; that was in 1938. I was working 240 on a time and material basis; I worked there in 1938 and 1939. I made that contract with Mr. Nadherny. I entered the words "Bon Air" at the top of the first account marked 97 because that is the location of the job. I haven't any contract; I was working on time and material with Nadherny; I made an arrangement of that kind. I made a contract to do certain work, furnish the materials, and they paid me for the time. I furnished the materials and they paid for them; cost plus something. I furnished the men and paid the wages; they paid me the cost of the wages plus a percentage for my services for supervision. I don't remember if anybody else was present when Mr. Nadherny made that bargain; it was at the Bon Air.

Buck Kerns, the business agent of the plumbers, sent me out there; he told me to go out there; he called me up and I went down to the Bon Air. I think I saw Mr. Nadherny first. I saw Roy Love; nobody else in particular. I was working out there part of two years; I started in the spring of 1938 and finished, I guess, in May or June. There were additions and alterations going on at the club house during all that period, and the plumbers can only work as the other workmen are out of the way. They would work as the work got ready. That was old work; you could practically finish it, rough in some and finish it. A bar was put in, and one thing and another. They were there off and on; I don't know just what time. After we had roughed the plumbing underneath the flooring, they had to lay the floor and we put the bar on top of the floor. I discussed this work with Mr. Nadherny as it progressed; I may have talked it over with Roy Love; nobody else that

I know of particularly. I got paid for the work out 241 there from time to time.

C-9-11 that I am looking at is the book from which this transfer was made, and on "April 21st" over here, opposite the figure "1000," I assume is the date credit was made, or payment was made. That is all in 1938 down to here. I don't remember who paid me that \$1,000.00; I received different payments there from different persons in 1938. I don't remember the exact amounts. Mr. Geary gave me the payments in 1939. The top one on Exhibit 98 is the first payment that was made in 1939. On sheet 97, those are all 1938 dates. Looking at the credit side on sheet E-98, the payments there for 1939 began on January 14th. That is a payment made on the account of the Lightning Construction Company; Geary made that payment; Geary did not make all the payments that appear on that sheet. Mrs. Johnson—William Johnson's mother—paid Roscoe Street, and Elmer Johnson, Mr. Johnson's brother, paid Glenwood and Thorndale. They paid two items on account there which have nothing to do with the Bon Air. The first, second, fourth, sixth and seventh payments there have to do with Bon Air. The debit items are the charges that were made for that work. The items on the credit side were paid in this amount. Mr. Geary made the payments as to all the items that had to do with the work at Bon Air.

There was a discussion in the summer of 1939 about putting in some drainage work to take care of an odor that was coming from a sewer already installed; I walked around the grounds and looked over the situation; there was a discussion of this subject. I spent about a half

242 hour walking about the grounds discussing this proposition of drainage. Nobody ever told me to go ahead with it. After the discussion, I heard nothing more about it. I think Mr. Nadherny, Mr. Johnson and myself walked around the grounds discussing this proposed drainage. I think there was an engineer there; I don't remember his name.

Q. Who else was there, Mr. Reedy? Tell us all.

A. I think Mr. Skidmore was there. All of them indulged in the discussion of this proposal.

Q. Now, Mr. Skidmore furnished the money to pay \$3,000.00 on this account out there one day, didn't he?

A. Not to me, sir. I don't remember that he handed

it to Mr. Wait in my presence and that Mr. Wait handed it to me.

Q. Do you remember making any remark about one very large thousand dollar bill, one of these old type ones? You said it must have come out of the bottom of the box?

A. Well, that is in 1938. I don't remember what time this was in 1938, some time when I was working out there. I don't remember Mr. Skidmore giving me any money; I don't remember Mr. Skidmore handing Wait any money for me. I remember a thousand dollar bill—one of those big ones. I made a remark about it being an antique piece of money. It might have been handed to Mr. Wait in my presence by Mr. Skidmore, but I don't remember it. I saw Mr. Skidmore around there sometimes when I was doing this work. I saw Mr. Skidmore out there several times when I was working there; Mr. Johnson was around there; Buck Hendrickson was there. Buck and I have 243 been fishing together a few times. I saw him out there at the Bon Air a good deal. He was not the one that got me the job. He might have suggested to the business agent of the plumbers that he call me up. I have told you about this whole thing now as near as I can remember.

Mr. Thompson: If the Court please, we object to E-97, in addition to the grounds upon which we have been making objections to these exhibits; that it has to do only with charges in 1938 and payments in 1938, which are duplicated by the accounts on the Bon Air books, which are in evidence. They are otherwise immaterial.

And then as to 98, which are payments in 1939, according to the witness; we object on the ground that the exhibit is cumulative evidence, apparently put in to corroborate the testimony of the witness who just testified, and a duplication of entries in the Bon Air books, and no proof that Mr. Johnson paid in all of these items and does not prove or tend to prove his taxable income or any attempt to evade payment of taxes on taxable income.

As to all the other defendants, it is immaterial and in no way connected with them.

The Court: Overruled.

R. J. SCHUMACKER, called as a witness in behalf of the Government, having been first duly sworn, was examined and testified as follows:

Direct Examination by Mr. Plunkett.

My name is R. J. Schumacker; I was acquainted
244 with an establishment in Chicago known as the K. and
K. Club. When I last saw that place, it was at 2133
South Kedzie, and prior to the time it was at that place,
it was at 2320 South Kedzie and 25th and Sawyer. I
worked at that establishment for Frank Villim.

Q. When were you employed there?

Mr. Thompson: We object to any examination on this
subject; no connection with any of these defendants.

Mr. Plunkett: Well, we are going to connect it up, if the
Court please.

Mr. Thompson: We except to that statement.

Mr. Plunkett: We can only develop as we go along what
the connection is.

The Court: Do you undertake to connect it up?

Mr. Plunkett: Yes, sir, we do.

The Court: It may be received on that undertaking.

Mr. Plunkett: Q. When were you employed there?

A. 1929 and 1930.

Q. And what were your duties in that establishment?

Mr. Thompson: We object to any recital of the duties
way back in 1929 and 1930.

The Court: He may tell what he did.

Mr. Thompson: Can't have anything to do with the tax-
able income in the year 1936.

The Court: Overruled. He may tell us what he did.

The Witness: I was a service man. A service man is
a man that gets racing information and then in turn im-
parts that information to the room, or in the early
245 morning of the day he receives the jockeys, the morn-
ing line, the weight changes, and proceeds to put
those on the wall sheets. Those were my duties at that
place. I had a telephone equipment at my disposal.

Q. And how much telephone equipment did you have?

Mr. Thompson: We object to that as immaterial; cer-
tainly the time being far too remote, and there is no con-
nection with any defendant.

The Court: Overruled.

The Witness: I had two cradle telephones and another line that led, that is, a private wire, that led to what was known as the clearing house. I have been in the clearing house; I think that address was about 2135 South Crawford. It is a two story frame or brick, I am not positive; upstairs is a flat, just an ordinary house. I think there was a jewelry shop down in the first floor, and just a flat on the second floor.

Q. And when you went in there what did you see?

Mr. Thompson: We object to this as immaterial.

The Court: Overruled.

Mr. Hess: Further, your Honor, he ought to fix the time.

Mr. Plunkett: Q. When did you first see this place?

The Witness: This was when I was working at 2320 Kedzie in 1929 and 1930, in there. I saw a ticker tape, telephone, microphone, desk, chairs; that was about all. I would see Al Kalus, Joe Conroy; once in a while I would see Skinny Moss up there. I have seen Al Kalus since that time at 63rd and Cottage Grove—the Southland Club.

I think he was manager of the book there.

246 Mr. Plunkett: Q. When was it you saw him at the Southland Club as manager of the book?

Mr. Thompson: (We object to repeating the conclusion.

The Court: Overruled.

The Witness: I couldn't place the time as to the day or month. It was some time in 1935 and 1936.

I have seen Joe Conroy elsewhere. Later when I went to work at the Casino, I saw Joe come in in the morning around noon time, say hello, talked to a few of the fellows. At other times I think I saw him out at Tessville in the evening.

I had occasion to use this private telephone wire that I have described previously. It was in 1929 and 1930, 1931. Over this wire came this racing information, came the jockeys and the regular betting, and the weight changes, the winners, mutuals, racing information. It came to me first; I re-broadcasted it into the room.

I do know Joe Conroy's voice; I can recognize that voice over the telephone. That was not the voice of Joe Conroy that gave me that information at that time; it was Al Kalus' voice. I would not say there were any other uses to which that private telephone was put, unless somebody

wanted to talk to some one in the other room and they would get on that head set and talk to them.

I had something to do with the procuring of supplies and equipment for the K and K Club I have testified about; I would order them from Joe Conroy. That is the same one whom I have been talking about. I called him on the telephone, or I would speak to him on the wire and I would tell him we need mutual sets, paste, pencils, crayons, 247 whatever supplies we needed. Sometimes I would speak to him on this private wire, or I would tell Al to order them.

I am acquainted with a phrase used out there known as "Unpaid bets." An unpaid bet is a bet that is uncollected. I was acquainted with what was done with the unpaid bets at the time I first worked there. These unpaid bets were carried for a certain period of time, usually a month. They were kept in the safe, in envelopes with the numbers on them. Sometimes the people would take ten days to collect the tickets, two weeks, and usually at the end of the month there would be a certain amount of unpaid bets. We would take the adding machine and total them up, and sometimes we would pay a telephone bill, or other miscellaneous matters, and then if there was anything left over Frank used to give it to the help in equal proportions, including himself, I think. That custom lasted one or two months, and then it was changed. The unpaids were listed on sheets and the money was sent to the clearing house.

I left my employment at the K and K Club some time in 1930.

Q. Will you state the circumstances under which you left?

Mr. Thompson: Object to all this as immaterial, not binding on any of these defendants. I don't see how it could be material.

The Court: Counsel will undertake to connect it up?

Mr. Plunkett: Yes.

The Court: Overruled.

Mr. Thompson: Of course, the undertaking to connect it up doesn't satisfy. All this detail of how he left 248 and why, what it has to do with this case with regard to unpaid or unreported income of Mr. Johnson is quite vague, it seems to me.

The Court: Overruled.

Mr. Plunkett: Q. Will you state the circumstances under which you left?

A. I was discharged. Mr. William R. Johnson, the defendant in this case, discharged me. I was working and a message came in there, I don't know whether it came in over that wire or not, to Frank, that Bill wanted to see us both, so we went over there. When I say "we," I mean Frank Villum and myself. He went over to 4020 Ogden and walked in. Bill was waiting for me. He went around in back of where the cashier and sheet writers were and reached in his pocket and pulled out a garnishment notice. He was very much upset about it and he balled me out and said he had enough trouble the way it was in trying to keep good fellows working; if it wasn't for the money he was making, different things, and he said, I am sorry, but I will have to let you go. I was fired. I didn't work at the K and K Club any more after that.

I saw Frank Villum many times after that. I have seen him at 2133—different spots; I bump into him here and there. It might have been a saloon, or it might have been on a street corner.

After leaving my employment, I had occasion to see the defendant Johnson again a few times. I went back to ask him if he couldn't see his way clear to put me back to work; that was in the early—beginning, I would say, in 1931, maybe 1932.

249 At the time I called on him, I might see him in the Horse-Shoe; I saw him at the Lincoln Tavern and I saw him at 4020; I just wouldn't remember where.

I had occasion to talk to the defendant Johnson in 1938 at Skidmore's office. No one else but Mr. Johnson and myself were present. He said, "What do you want?" I said, "I would like to have my job back," and we talked back and forth, and he still was berating me for being so foolish, too silly. He said, "You know you are smarter than the teacher," "smart guy," or something like that. "You know you could have one of these spots, because I liked your work." Then he said, "I don't know what I can do for you, but catch up with me at Tessville, and I will see." He told me to come there Friday night. I went out to Tessville that following night to what they called Dev-Lin. Gambling was going on there. I saw the defendant Johnson at that time; I had a conversation with him. Bill called me over. Mr. Sommers was sitting up on

the stand, overlooking the game, and Bill called me over where Mr. Sommers was, and he said, "This was one of our good men that couldn't behave himself. I want him to go to work tomorrow." I don't think Mr. Sommers said anything. I did go back to work thereafter at the Horse-Shoe—4720, or something, on North Kedzie on the second floor; it was a gambling room. Eddie Gates was in charge of the book. The defendant Sommers was there; I think he was the manager. I worked at the Horse Shoe right up to 1939, within a few weeks of when they all closed. I worked Saturdays there.

I worked at the Casino at Irving Park and Milwaukee; that is a gambling establishment. The defendant Reggie Mackay was in charge of that place while I was working there.

250 Q. Tell us how you happened to go to work at the Casino while you were still working at the Horse-Shoe.

A. Gates talked to Larry Bovin, who had charge of the book over there. The man they had there was working a little too much—this man wanted to get a little rest, and he fixed it with Larry that this man would take a couple of days off a week and allow me to get in that time working out there. The first Saturday I went to work as a sheet writer. The sheet writer is the man that takes bets on horses. He sits at a desk, and he has a pad and paper in front of him. He writes on that a record of bets that are made on different horses. The customer tells the number of the horse or horses he wants; that is written on this paper, and the man is given a ticket with a number that corresponds with the number on this sheet. The ticket is the customer's receipt for the bet placed on that horse. Sheets are kept in duplicate; there is carbon paper between the sheets. The original sheet would go to the cashier that was assigned to get that particular color—red, blue, black, or whatever he was writing. The money was carried over to the cashier, and duplicate sheets were put in a little drawer. The duplicate sheets were taken out to the service room and sorted out as to color, numerically, and they were wrapped up and given to the head cashier. I did have occasion to learn what the head cashier did with those sheets; he took them to the clearing house. At the time I am now testifying, the clearing house was at Irving Park and Milwaukee.

Mr. Thompson: I move to strike all of this business about

his taking sheets to the clearing house. He says he was 251 never there.

The Court: Did he say he took the sheets to the clearing house?

Mr. Plunkett: Yes, your Honor, he did, though he says he has never been inside of the clearing house.

The Court: Let it stand.

The Witness: I think on occasion I have drove with the head cashier, going that way in his car. He would drop the sheets off there, give them to somebody at the door; they were the duplicate sheets.

There were some other sheets made up during the course of time gambling was in operation. There was a sheet kept in the service room that recorded certain layoffs that were made; it recorded the difference in the daily doubles and quinnellas; if there was an expense for supplies, that was on that sheet; if there was an expense for service, that was on that sheet. At the end of the day, the sheet was balanced out as to the ins and outs. By "ins and outs," I mean they might bet \$100.00. Sometimes they may have ninety coming back; sometimes they would not have anything coming back, but that was carried on that sheet, and if it came to a figure where they owed us, it was marked on that sheet; if we owed them, it was marked on that sheet also.

I also held the position of service man in the Horse-Shoe. Later on, in 1938, it was a little bit different job. All of that information came over loud speakers; I mean information concerning the running of the horses when they were lined up and when they went off. I had a private 252 telephone there at my disposal; it was connected to the clearing house. I recognized the voice of the person at the other end of this private phone I talked over. I would hear Joe Conroy on there, I would hear "Skinny" Moss on there once in a while. That was about all I would hear on there. I know there were other lines connected; I could hear people talking on there. Once in a while I would catch Larry Bovin's voice on there; he was at the Casino on Irving Park Road. Occasionally I would hear Pat Moody on there on the daily doubles. I think that is about all the voices I heard. There were a lot of voices on there, but I never paid much attention to them.

I know Tom Hartigan; he is a brother of the defendant James Hartigan. I may have heard Tom's voice on there, too, once in a while.

Q. Will you state the nature of the conversations that were held between you and this person Joe Conroy over this private phone you have testified about?

Mr. Thompson: We object to any conversation out of the presence of these defendants; immaterial to any issue here.

The Court: It may be received, not to prove the truth of the statements made in the conversation, but merely to prove that such conversations were had.

The Witness: Well, you would pick up the telephone and give the daily doubles, give the quinnellas, and sometimes Joe would call in. He might talk to Gates, sometimes he would say to me, "Get your brown sheets"—or green sheets; whatever sheets he wanted—"for yesterday, and look at ticket number so and so and figure 965, paid 253 out \$10.25." He would say, "Well who is that brown cashier?" I would tell him and he would say, "Well, tell Gates," and hang up. The sheets that he was talking about were those original sheets written by the sheet writer. What was meant by that conversation was that this brown, blue, black, red cashier had made some kind of mistake in figuring a parlay or figuring a bet, and he was told about it. He may have overpaid or underpaid—it didn't make any difference; they were checked and told about it.

Four or five sheet writers, four or five cashiers, and two or three board men were working at the Horse-Shoe while I was there; then on the other side of the house was this roulette, red and black, twenty-one. There were no slot machines in there.

I would say that Jimmie Hartigan was there once in a while at the Horse-Shoe when I was working there; he ran the place.

I worked at the Casino during the period that I testified to; I was a sheet writer at the Casino. The nature of my duties as a sheet writer at the Casino were the same as they were at the Horse-Shoe. I had no other duties at the Casino except as sheet writer.

I don't know where the duplicate sheets kept at the Casino were sent.

I have been present in front of the premises of the Casino, in the street, during the evening.

A lot of cars pulled up there. Well, they would walk up to the doorman, whoever was there, and hand him a bundle wrapped in newspaper or something, and they

254 would go right on their way. I did recognize some of the individuals who did that. I have seen Jimmie Gleason pull up there once in a while. He was working at Monticello and Milwaukee at that time. The character of the establishment was a gambling room.

I do know the voice of "Skinny" Moss I have talked about. I heard the voice in the bookmaking establishment I was working in. The voice was issuing from the loud speaker in the horse room.

I am acquainted with the duties of the various employees who worked in these gambling establishments I am talking about.

The duties of a floor man are to see that the games are kept filled up as much as possible, even up as much as possible; give any information to any patrons that might want it; to issue a payout slip for any payouts.

A shill is an individual that fills up the game; he is not a bona fide player; he is an employee of the house. He gambles with the house's money.

A dealer is a man that either deals checks or money at the crap table; a twenty-one dealer deals at the twenty-one table. If it is a money game, the dealer has got stacks of money in his hands. If the line hits, the dealer goes around and pays bets that are scattered out on the table.

A box man is a man that sits between two dealers, that watches bets. He is supposed to see that everybody gets their right bet; that somebody don't get somebody else's money. You buy a stack of chips, and you buy chips through the box man. He puts the money in the box.

255 A stick man is a man that is opposite to the two dealers who handles the dice, throws them back to the shooter, and the shooter rolls them out, and he calls the number and calls whatever bets are on the table. He uses a stick to rake bets from one end of the table.

A cashier is the man that receives the money and pays it out. He receives money from the different games; they take the box from the tables to the cashier. I don't know how often the boxes are taken to the cashier. I think once every hour; I never timed them. Anyone of the runners, money runners, or floor men brings the boxes from the table to the cashier.

There was no difference in the dice tables when I was at the Horse-Shoe. One game would be a money game; the other game would be a check game. A check game they play with checks; a money game is played with money. The

checks are little round disks; they are sold by the house to the patrons; they play with them. At the money table, they use just straight money.

I wouldn't know how much money passes back and forth between the table and the cashier. I wouldn't know whether the cashier at the place kept a sheet of paper before him.

I have seen the game Keno played in these establishments I have referred to. I have seen it played at 4020 Club and I have seen it played at Harlem Stables. I have seen it played at the Lincoln Tavern, and I have seen it played at the Casino. I have seen it played at 63rd and Cottage Grove, the Southland Club.

256 Kenc is played with a card. Those cards are numbered with 15 numbers, and the object is to fill the card with five numbers across, and that is Keno. The man that has got the pill box with a number of peas in this box, turns it over four or five times and gets a pea out and calls the number, and if you have that number on the card, you put a marker on that card. You finally have five numbers straight across and you win.

I have seen two or three hundred persons at one time playing that game in those places I have named. I don't know how many games are played every night of that game. They played seven or eight or nine games.

I have seen slot machines at the places I have named. I saw slot machines at the Stables. There might have been several. I saw slot machines there in 1938 and 1939—maybe ten. I have seen a few at the Casino. I think that is about all. I wouldn't know who serviced the slot machines or who had anything to do with them.

I am acquainted with the location at 63rd and Cottage Grove known as the Southland Club. I have seen the defendant Hartigan at that place; it might have been a few times. It was in 1934 or 1935.

I know the defendant, William P. Kelly, ten or twelve years. I first saw him at 4020 Club back in 1928, 1929 and 1930. He was a cashier, a book cashier.

I know the defendant, John Flanagan. I first met him at 3833 Ogden; that was a gambling room. He was running the place back in 1925, 1926 and 1927.

Mr. Hess: I move to strike out the entire testimony about Flanagan at this place, as being too remote to any of
257 the issues in this case, 1925, Judge.

Mr. Plunkett: I will develop that further, if the Court please.

The Court: Q. You say a man was running a place, what do you mean?

A. Well, he was taking care of the business that was going on there in so far as they pay out, and such as seeing that the public was handled nicely. He was the manager.

I have seen the defendant Flanagan since 1925. Starting in 1929 and 1930 I would probably see Flanagan almost every day. He was at 2141 Crawford. I have had occasion to talk with him over the telephone in 1929, and they inaugurated a system of every bet that was taken and recorded on the sheets was called in through the clearing house—not over this private line I was talking about, that was a different line. That was a different hook-up. I do not know how that was hooked up.

The sheet writer sat there with the breast 'phone on. As you made a bet he talked into that breast 'phone and somebody at the other end of the wire recorded that bet.

Mr. Hess: I object to that unless he knows that somebody at the end of the wire did something.

The Court: Q. How do you know that?

A. Well, I didn't. I wouldn't know that it actually took place by seeing it, but that was the set-up that was explained to us at that time; that all those bets were to be called in. That lasted just a couple of days and that was changed.

Mr. Plunkett: Q. Well, while you were calling in these bets, did you know whom you were talking to at the other end?

258 A. I was not doing that.

Mr. Thompson: I move to strike out all this explanation to us, no identity of who explained it and none of these defendants were present.

The Court: All right, other than the sheet writer talking into a telephone transmitter on his breast may go out.

The Witness: It was about that time I talked to the defendant Flanagan over the telephone. He balled me out about giving somebody a house bet. It was too late at that time to give a man a house bet when he should have got a form.

I said, "I believe it is four or five minutes before post time," no flashes, the prices not changed any.

He said, "The man should not get a house bet. He should get a form." He was talking to me on my old

telephone. It was an ordinary telephone—a public telephone, and had a Crawford or Lawndale number. He would call, or I could call him. He did not tell me where he was at the time I was talking to him over the telephone. I don't remember that I ever had occasion to call him over the telephone while I was there at that time.

I know who the defendant, Andrew J. Creighton, is. I first saw him at the 4020 Club, I would say in 1933 or 1934. He was the floor manager, or had charge of something there.

I know the defendant, Reginald Mackay. I have seen him at the Casino in 1938 and 1939. He was the manager. I have seen him out at the Harlem Stables. When the Casino was closed, they moved out there. I think he was cashiering out there; that was in 1939. I would not know who was in charge of the Harlem Stables.

I have known the defendant, Jack Sommers, since 1938. I worked for him at the Horse-Shoe. I have seen him out at Tessville, at the Dev-Lin; no other place.

I have known the defendant, James Hartigan, twenty years or more. I first met him around 22nd and Crawford. It might have been in the ice cream parlor there or pool room, or it might have been on the corner. He lived in that section there. I have seen him at the Horse-Shoe. I have seen him at 63rd and Cottage Grove; I have seen him at the Stables. I don't remember when I saw him at the Stables. I don't believe I can name any other place where I have seen the defendant Hartigan, except the three or four I have named.

I have seen him at 4020 Ogden Avenue. That was in 1933, 1934 and 1935. He was one of the managers around there.

260 Mr. Hess: We object to that as a conclusion again, and also it is six or seven years ago.

The Court: What was he doing?

The Witness: Running the place. I have seen him make out cash-off slips, for one thing; start different games. If one game got too full and they would have to put another game on, he would tell the floorman to start another game.

The Court: Let the answer stand.

The Witness: The box on the dice tables is a small wooden box with two sides to it, and two covers that open on hinges. I think the box would be about 6 by 8. It has two covers, one on each side. The box man just takes it and lifts the cover up and places the money in it and closes

the cover up. It is not part of the duties of the box man to ever take the money out of that box once it goes in. After the box has been filled with money by the box man, it is carried to the cashier's stand. I guess a new empty box is put in its place.

I know an individual named George Ogren. I have seen him a few times at Lawrence and Kedzie. A couple of times I saw him when he was working at Division and Dearborn. I saw him at the Harlem Stables.

I know an individual named John Kalus. I have seen him at 63rd and Cottage Grove; it was along in those years, 1935, 1936, 1937 and 1938.

I know an individual named Bartley H. Berg; he worked at the Casino as book cashier all these years.

I know an individual named Edward J. Gates; he 261 was my boss at Lawrence and Kedzie at the Horse-Shoe.

I know an individual named Charles Smetana. I knew him when he had a place on Milwaukee and Crawford and he moved to School Street. Then he moved to 7500 on North Clark Street. He was manager of the book; I would not know what address that was. It was on Milwaukee Avenue west of Crawford, about a half a block. I do not know the name of the place. The second address I mentioned seeing Charles Smetana at was School Street, right off of Crawford Avenue. I don't know what that address was. It was 39 something on School Street; it was a gambling room.

I know an individual named Lawrence J. Bovin. He is sometimes known as Larry. I first knew him way back in 1928, 1929 and 1930. He was employed on Milwaukee Avenue; just where it was I don't know. I later worked for him at the Casino. He was the book manager at the Casino.

I know an individual named Ralph Mayo. I know him from 63rd and Cottage Grove; he was manager of the side games there when the Southland Club first opened up. I suppose that was in 1933, 1934 or 1935.

I recognize the picture, Government's Exhibit O-125, for identification; it is Joe Conroy whom I have been testifying about here. I don't believe I ever had any conversation with any of these other defendants about employment between the time I was discharged from the K. and K. Club to the time I went to work for the Horse-Shoe. I recall that I might have talked to Jimmie about seeing Bill on a few occasions when I would bump into him either at the Horse-

Shoe, or wherever he was at. It would be along in 1934, 262 1935, 1936, in there.

Q. Can you state what was said by you to Hartigan and what he said to you, in substance, as best you can remember?

A. In substance I told him—

Mr. Thompson: We object to this conversation prompted by the United States Attorney and which is out of the presence of any of these defendants except Mr. Hartigan.

The Court: It would be admissible against the one defendant. Overruled.

The Witness: I told Jim I was out to have a talk with Bill if I could and he said, "Well, he might be here around 11:00 o'clock, and watch for him, and go up to him and have a talk with him." My discussion with Hartigan was just general topics of the day.

Everybody calls William Johnson "Bill," referred to as the "big guy." I don't know who referred to him as the "big guy"; I wouldn't remember who or what, but several. I never did hear these defendants so refer to him.

Cross-Examination by Mr. Thompson.

My name is Robert J. Schumacker; I am known as Shoes, and Ben—Rudy. I was born and raised in Chicago. I first worked at the C. B. & Q. Railroad about 25 years back; that was my first job. I then went to work for the Chicago Telephone Company for a couple of years. I was working in the switchboard department; that is, had charge of the installers that installed the switchboards. I had a certain number of installers that reported to me as to 263 what jobs they were to go on and what they were supposed to do.

I went to school, and Metropolitan Business College, and took up a commercial course. I didn't say that I learned to install switchboards in business college where they taught shorthand; I said I had charge of the men that installed the switchboards. It was a clerical job. I had charge of the men that installed the switchboards in various parts of the City of Chicago, they would report to me and get orders. I mean I was a clerk and handed out the orders that were handed to me to the switchboard construction crew. I had a number of installers that were under my jurisdiction, that followed my orders. If I sent them

to 116 North Franklin to install a switchboard, that is where they want; it was an order on an order slip.

I think I worked for the telephone company as a clerk a couple of years—about 1913 and 1914, in there, 1915. A man by the name of Michael Reynolds was my boss. I was working in the PBX department—switchboard installation. The office was on Franklin and Washington; that was the Chicago Telephone Company. I went to the west division exchange in charge of telephone installers. I handed out slips again to the men who installed the telephones; I did have authority over them. I was in charge of that particular number of installers that had a certain particular district to install telephones. I was the clerk in charge of that bunch of installers; I don't know whether I had a title or not. I think I would know how to install a telephone myself—I didn't at that time. I didn't know how to install

a switchboard when I was in charge of the switch-264 boards. I stayed out at this Western division about a year after that. My employment there was about three years, I think. I was out there in 1914 and 1915. A man by the name of James Riddle was my boss; that was for the Chicago Telephone Company.

I then went into the coal and ice business for myself at 4055 West 26th Street. I stayed in that business six or seven years—the same address.

I then went to work for a man by the name of Rentner at 26th and Crawford in 1923. That is when I started to work around handbooks. I worked for Rentner until 1924.

I then went out to Cicero and worked around a few books there. I worked around 1500 North Clark Street; I worked downtown in the Chicago loop; always for bookies, up until about 1929 when I first started working out here at the K. and K. Club. I worked for Frank Villim out there about two and one-half years. They had a gambling house there; they just had horses and twenty-one; horses and bookies is just in the day time. They didn't have night races in those days, so that the bookie business is over about 6:00 o'clock. My work in the bookies was during the daylight hours. They had the twenty-one game there; that is not played at night; just during the day. The twenty-one game is blackjack. Blackjack is played with cards, an ordinary deck of playing cards that runs from the Ace to the King, one, two, three, four, and the blackjack is any picture and Jack to make twenty-one. An Ace and a 10 makes twenty-

one. It is played in gambling houses. That game was played while the races were going on; they ran horse races and twenty-one at the same time. This place closed 265 up at 6:00 o'clock in the evening. I didn't learn about all these other games there at the K. and K. Club.

I never played Keno there—they sometimes call it Bingo. I never did play Bingo at the Evanston Country Club.

I never played Bingo out at the Chicago Country Club out here in Wheaton, or at Skokie out at Glencoe. I didn't play Bingo out at Lincoln Fields. This Bingo game was played in these parlors in the afternoon and a lot of the ladies of the neighborhoods would come in and they would have a Bingo game. They used corn for markers or little discs.

I believe it was in 1930 Mr. Johnson called me up to 4020 Ogden Avenue and fired me; I think it was in October. I don't know what else happened in October, 1930. I think that was the year before the big stock market crash—that was in 1929; I don't know what day of the month. Nothing specifically that I can recall that stands out in my memory otherwise than the general going-ons of the world in general. I don't remember if there was an election in November, 1930. I don't remember who ran for office back there. I do remember that I had a talk with Mr. Johnson in October, 1930. As I remember, it was on a Friday at seven o'clock in the evening. I had been working on the service that day—on the service wire at 25th and Sawyer. I think that address is 2501 South Sawyer. That was the K. and K. Club. It is not a fact that my boss fired me there for stealing. I didn't go to Mr. Johnson to have him intercede for me. I wouldn't say that we had been 266 dividing up the unpaid bets around there among ourselves. I think that that was a situation that was done with the knowledge of the people that would have charge of those things. I didn't know and I wouldn't know anything about that.

That was not the first time I saw Mr. Johnson; I knew Mr. Johnson as a man about town. I did talk to Mr. Johnson from 1930 to 1938; I talked about being put back to work; it was somewhere in 1934 and 1935. I don't remember the day or month. I found other employment after I got fired; I worked in Cicero and different places. In Cicero I worked for a man named Kunso; we worked that summer meeting, we always booked at the race tracks,

Hawthorne and Sportsmans Park. I worked for him every summer. In the winter I got jobs somewhere else, if I could.

The balance of 1930 after I got fired in October, I worked at 1504 North Clark Street; I worked for a man by the name of Sinclair; I was service man in a bookie there. I worked there maybe a year and a half. The club had no name; the same proprietor was there all the time—Sinclair. He had either Nationwide or General News. I think it was General News. General News changed to Nationwide. I think they were both Annenberg's services. One succeeded the other; I wouldn't know that.

I then went to work for a man by the name of Hartman in the wrecking business. I think I started working for Hartman in about 1932 or 1933; I don't remember the month. It might have been part of the year; I don't remember. I

was going from one job to another, just anything that came along. I worked for this man Hartman maybe five or six months; I do not remember the months, in 1932 or 1933, along in there. After I went to work for Sinclair there were no jobs; I went to work for Hartman. I didn't run his business; I did a little labor work. I tallied lumber, loaded lumber; might have six or eight men. I do not know who the men were; I knew a few of them, though.

Joe Conroy did not work for me and I did not work for him. I think I last saw him in 1939.

I don't remember where I worked after I got through working for this company; any odd jobs I could get. I think my memory is reasonably good. Maybe I wasn't working, but I don't remember. I always worked at the race track during the racing seasons—Hawthorne, Sportsman's Park, Washington Park. I don't think I worked there in the summer of 1933. I don't remember where I worked in the summer of 1933. I think I might have been working for Hartman in the fall of 1933 and the same place in the winter of 1933. I finished my job with Hartman around in the end of 1933. I don't know where I went to work then. I might have worked at the Chico Club in January, 1934. I might have been that time; I don't remember. I was working at the Chico Club extra in January, 1934; Paulsen was running that club. The address was 5140 West 25th Place, it was a bookie. I worked off and on there for maybe six or eight months; two or three days

a week. I am not sure as to the years 1934 and 1935 what I was doing. I would not remember the month I finished working for Paulsen. I don't remember where I worked in the fall of 1934.

268 I don't remember where I worked in the winter of 1934; still the same answer for the spring of 1935. I was still around the race tracks in the summer of 1935, whichever one happened to be running; they all ran; they all started on the first of May; I am reasonably sure. Our Chicago racing season started on the first of May. They couldn't all run at the same time in the same district. One meet would run into the next meeting. We would have about six months of racing here. I think that is the way it took place in 1935.

I think I first worked at Aurora in the summer of 1935 during the whole meeting; twenty-seven to twenty-eight days of meeting. I would not remember. I can't recall whom I worked for. I worked in the mutuels department; I mean I worked for the Racing Association. The boss there was Charley Trimble. He did not hire me. Mr. Trimble was the general manager of the Aurora Racing Association; I did not work for Mr. Trimble directly. I worked for a man by the name of Ray Sullivan. He had charge of the different windows. I was selling tickets. It was in 1935; might have been 1936 or 1937; it was not in 1938. I don't remember where I was in the spring of 1938.

I don't know Doc Williams. I don't believe I know Mr. Converse.

I talked to Mr. Plunkett before I got on the witness stand. They called me to come down and asked me a few questions. Then I would leave; then I would come down again and they would ask me some more questions. Mr. Plunkett is the man I talked to. I don't know who sent me down; I came in with the subpoena. I went in
269 some office around here; then I went in another office.

I talked to Mr. Stains some time in the month of May, 1940, the first time I came around the court building here. Some Marshal served me; I don't know who. I was served on the eighth floor after I got in the court house, I think. I received a letter that I was to report to a certain room at a certain time, on a certain date. I don't know who signed the letter; I don't think I have it. I don't think the wording of the letter was that a mutual friend suggested

that I might come in and tell them something. I don't remember the wording of it, but it was from the Government and I came down at that time. I don't know what date it was. I was told to report to a certain room number; I don't remember the number. I came down anyway. When I got down, I was immediately served with a subpoena. The subpoena said something about grand jury forthwith. I didn't go before the grand jury forthwith. Mr. Converse, or whoever it was, said, "You take this up to room—"

I think it was on the eighth floor. I walked into the room, somebody told me to sit down and wait, and pretty soon Mr. Stains called me into an office. I talked to him a couple of hours; he asked me some questions. There was no stenographer reporting that. He was writing; he had a questionnaire; just Mr. Stains was there. I was not taken before the grand jury. I left, and then I got 270 a message to come down to the District Attorney's office. I got that message from Mr. Stains by letter in June or July—I think it was July, this year. I was not taken before the grand jury then. I believe Mr. Stains took me into Mr. Plunkett's office. I believe Mr. Stains talked to me before he took me into Mr. Plunkett's office. He said he wanted Mr. Plunkett to talk to me. I don't know whether he had any minutes or memoranda to suggest questions to me. They asked me question after question and I just answered the questions they asked me. They kept calling me in there and asked if I knew this man. I would say, "No, I don't know him," and then they would ask me something else, and then they would go away. They would say, "Come down tomorrow." I think I came down all together maybe five or six times. The last time I talked to them before I got on the stand was this morning, about two hours. I didn't give them any information. He just said he wanted to go over this thing, and we sat there and talked back and forth; then he would leave and go somewhere else and come back. He was looking at some notes of some kind.

I believe I did sign that questionnaire.

I believe I was working in the Horse-Shoe in May, 1940. I am a little bit confused. I was not working in May, 1940; I was not working in April, 1940. I was working in 1940—little odd jobs I would get; chauffeur a man around three or four days. I didn't work in any books in

1940. I quit working at the Horse-Shoe in August,
271 I think, 1939. I don't think they closed completely;
I don't think they closed until September.

The clearing house and the Casino are both in the same building. My understanding is that the Casino is a gambling club. That is my understanding that the clearing house was there; I wouldn't know. I worked at the Casino. The so-called clearing house is entirely separate and distinct from the Casino; they are not entered at the same entrance; there is no connection between the two at all. The Casino is just a gambling club. I have never been in this so-called clearing house; I don't know a thing about it. I don't know who goes up there or who stays there; I don't know how long it has been there.

I have been told that I got a dollar and a half a day and mileage as a witness, just the times that I come in; whenever they call me, I get a dollar and a half for that day and mileage.

I was at Skidmore's office in 1938; it is on South Kedzie Avenue, about 2900 or 3000 south. It is a one-story brick building. It is a junk yard for steel, wire and iron. I did not hang around there a good deal. I don't know who Doc Williams is.

272 MIKE D. McGLYNN, called as a witness in behalf of the Government, having been first duly sworn, was examined and testified as follows:

Direct Examination by Mr. Hurley.

My name is Mike D. McGlynn: I live at 216 Central Avenue, Austin. I was employed at one time at the place known as the Southland Club at 63rd and Cottage Grove Avenue. I had known Creighton for many years and I went in and asked him if I could go to work. He said, "Come around tomorrow." I came around tomorrow and went to work. I was cashier. I worked as cashier at the Southland Club approximately a couple of weeks, I guess; that was 1939. I believe I went to work the 20th or 25th day of May, 1939.

After working at the Southland Club, I worked in Forest Park and 97th and Western. It was the Select Club in Forest Park. I went to work there when they closed up

63rd Street. I was cashier there. They closed up Cottage Grove and sent us all over to 97th Street, and then they picked out a couple of the fellows and sent some here and kept some there. I happened to be one that was sent out to Forest Park. Creighton picked me out to go to the Select Club; that is the defendant I see here in the court room. I acted as cashier at the Select Club. I worked at the Select Club probably two or three weeks. I then went back to 97th and Western after the Select Club closed. I don't remember who told me to go to 9730 Western. I think everybody out there went. The fellow in charge, McKenzie, I believe, told me to go out there; I don't know his first name. I was cashier at 9730 273 Western Avenue. I worked there until about the 30th of June.

I went down to Missouri and came back, and the next morning I was told that they had let me out. I saw Bill Foley, the man that was in charge of the place, when I went out there.

Q. Will you state what he told you?

Mr. Thompson: We object to any conversation with other than the defendants.

The Witness: He said he was sorry but he had to let me go—

Mr. Thompson: Just a minute.

The Court: Just a moment. How are you going to get that in?

Mr. Hurley: Well, it is part of the whole conspiracy; we have shown that Creighton sent him there.

The Court: Objection overruled.

The Witness: He said he had orders from the clearing house to lay me off.

I went out there a couple of days after that and talked to Creighton. He said, "Well, what do you want me to do?" I said, "I would like to get my job back." He said, "I can't do anything: I am only working here." That is all he said. That is the same Creighton that is in the court room here.

Cross-Examination by Mr. Hess.

I was put to work by Mr. Creighton; I had known 274 him for a number of years. I have heard that he was operating a gambling house; I didn't know it per-

sonally. I have never worked at a gambling club before I went to the Southland; that was my first venture; it was he that hired me. I was paid like the rest of the boys—at the place where I was hired. When that place closed, I went to another place. I assume it was Creighton's place. I got my instructions from him to go out to these other places, and from Forest Park to 97th Street. These three places must have been operated by Mr. Creighton; I don't know. I went to him and he put me to work, and I went from one to the other. In my employment by Mr. Creighton, I went to work and stayed at work at these different places and got paid in the regular course of business in the office of the place. I wouldn't know when one opened and the other closed; 63rd and Cottage closed and I went to Forest Park; then Forest Park closed and I went to 97th Street. I had no connection with it after that when they all closed in the summer of 1939. I had no contact after the last of June.

I was paid all my wages within this organization. When I went to 97th Street the last time and had a talk with Creighton, the place was not closed at that time. The Forest Park crew had been reduced. I wouldn't know if some of the men had been laid off. I was laid off after the 30th of June, I guess it was; I was at 97th and Western.

I was in there when I talked to him about re-employment. I never paid but very little attention to who was working, how many were working; I was only in one department, confined myself to that. I wouldn't know that in the summer months the business goes down in these gambling clubs and the force is reduced.

Creighton did not say to me, in substance, "Mack, how can I put you to work when we have no business? When business increases I will be glad to put you on again."

Creighton said, "What do you want me to do? I can't do it. I am only working here." That is what he said. I was the only one that was being laid off.

I have known Mr. Creighton prior to the time I have been working, about thirty years. Prior to going to work here, I was a salesman, silica sand salesman; I worked for a company down in Missouri. When I left Chicago and went to Missouri that is where I went; I went back to get my clothes. I have been a salesman for that company since it was in existence, about four years. Before that I was a salesman; I have been a salesman during my working life. I quit that job for the Missouri

concern. The sand business was pretty slow. I was not making any money; I wanted a job. I heard that Creighton had work. I did not know personally until I had seen him. I know him personally for many years. I certainly knew him.

When we closed the Forest Park place, I guess it was because we had no business out there; I don't know. We took some of the crew and put them back to 97th and Western, or some of them. I don't know if ultimately the crew at 97th and Western was let out. I was not 276 there since the night I saw Creighton. I would not know whether there was a number of others let out.

Redirect Examination by Mr. Hurley.

I do not know now that the Select Club was known by any other name. I would not know what the address was.

ROBERT ACHESON, called as a witness on behalf of the Government, having been first duly sworn, was examined and testified as follows:

Direct Examination by Mr. Plunkett.

My name is Robert Acheson; I live in Western Springs; I am employed by the Illinois Bell Telephone Company as local manager of the Lafayette unit. I have been with the telephone company since 1929.

Government's Exhibit O-31 and O-124, inclusive, and O-126, O-126-A and O-127, are the records of the Illinois Bell Telephone Company maintained in the usual course of business. The entries thereon were made in the regular and usual course of business at or about the time the transactions occurred. It is the usual and regular course of business of the telephone company to make such entries at or about the time the transaction occurs. All of the exhibits, with the exception of Exhibits O-127, O-126, and O-126-A, were laid to the account of one individual. In the making of the entries of the records, a code system is used.

A code system is a system of abbreviation, using 277 numbers, letters and symbols to indicate various items of service and operation. That is done for the purpose of having uniform entries on the records of the tele-

phone company. We maintain a school to teach the employees this code. I am acquainted with the meanings of the various words, numbers, symbols, etcetera, that you have been referring to in these exhibits.

The individual whose account those records refer to had other telephone service.

Q. Will you state what that service was?

Mr. Thompson: If the Court please, we want to see what we are talking about. We object unless there is some connection shown of some defendant in this case. There are no names of any of these defendants; there are names of total strangers on there. I have never heard the names before in this case. I ask the Court to inspect them.

He has asked of that particular person who is on all these particular cards what other service he had.

The Court: Let him answer the question.

Mr. Plunkett: Q. Will you answer the question? What other service did that individual have?

The Witness: The record I hold in my hand indicates at the time of the application, at Lawndale 5549. That was located at 2141 South Crawford Avenue; Crawford 1918 at 2141 South Crawford Avenue; Rockwell 5900 278 and 5901, at 3841 Ogden Avenue.

Mr. Thompson: I move to strike that answer as having no connection with any of these defendants.

The Court: Overruled.

The Witness: Government's Exhibit O-126 refers to Rockwell 5900. The record indicates that this service was located at 4020 West Ogden Avenue. This service was installed at 4020 Ogden Avenue on July 10, 1931. I cannot tell from this record how long it remained there.

Referring to previous exhibit, number O-126, indicates that on March 10, 1939, we changed the number of Rockwell 5900 to Crawford 1066. Turning to Exhibit number O-126-A, indicates that on September 11, 1939, John Flanagan, or that we transferred the service under the name of Flanagan. The name of the individual who had had that service in his name prior to the time it was taken over by Flanagan in 1939, appears on our record as Frank Vase. Exhibits O-31 and O-124, inclusive, relate to an account under the name of Frank Vase.

Mr. Thompson: Now, if the Court please, we object to any further inquiry about these exhibits showing 279 service to one Frank Vase, not a defendant in this case, showing no connection with the defendants, and

it is not mentioned in the bill of particulars or in the indictment.

The Court: Overruled.

The Witness: Government's Exhibit No. O-31 covers the service at 2135 South Crawford Avenue on the second floor. I have been there in 1938. It is a sort of a two-flat building with a store on the first floor. At the time I was there, the telephone equipment was on the second floor; that was in 1938. I saw three men there; one was a man known to me under the name of Mr. Morgan, and a man named Roy; the other party I did not know, or did not hear his name.

Government's Exhibit O-125 for identification is the party that I knew as Morgan; that is the party I saw there that day when I was there. I had prior contact with that individual. During the last few years that I had the account, he was the one I dealt with in reference to that account.

I think I am able with this pin to put it in that map, Government's Exhibit O-1, to indicate the location of the address 2135 South Crawford.

Mr. Thompson: We object to the demonstration of this witness; no connection with these defendants; immaterial where it is located.

Mr. Plunkett: (Out of hearing of jury.) We are going to show by this witness that from the address 2135 South Crawford the network of private telephone wires went out to reach the places named in the bill of particulars 280 and that these private telephone wires all came from this location of 2135, the telephone number Rockwell 5900, mentioned by a previous witness, and show each house named in the bill of particulars was connected with this.

Mr. Hess: What is the difference if they are a mile apart or three minutes apart?

The Court: Overruled.

(Witness places pin in map.)

The Witness: I have in the last few days made a careful study of these Government's Exhibits O-31 to O-124, inclusive; I have at the request of Government's counsel made notes of what these records show with relation to service at that point. My notes show the locations of other telephone service that was connected to the telephone service at 2135 South Crawford. I believe I can with these exhibits and my notes state the various changes that were made in this from the date it started.

Mr. Thompson: I don't want to interrupt any further, and on all of this examination with respect to all these exhibits I should like it understood that the same objection is made, that we are objecting on the ground it is immaterial, no relation to the question of the taxable income of W. R. Johnson, the defendant, or any question of whether or not he has evaded any taxes, and it is in no way identified with any of these defendants, certainly not with the defendant Johnson.

The Court: It may be so understood.

281 The Witness: Government's Exhibit O-31 covers the application for service under the name of, that purports to be Frank Vase, for service at 2135 South Crawford Avenue, on the second floor. This application was taken on July 23rd of 1930, and we were instructed at that time to secure the key at 2141 South Crawford Avenue for the installation of service. On August 9th of 1930 we installed ten central office lines in that building, five lines being in a key cabinet arranged so that two instruments could answer any calls on that cabinet. The additional five lines were terminated in instruments with receivers with headbands for the person using the telephone.

On August 15th of 1930, from our records, it indicates that we installed three additional lines, numbers Crawford 2330, Crawford 2331, and Crawford 2343; also equipped with headbands and receivers. On October 22nd of 1930, we removed the three lines mentioned, 2330, 2331 and 2343.

Government's Exhibit No. O-33, our record indicates that on October 22nd, of 1930, we removed two lines from the key cabinet, Crawford 7213 and Crawford 7214.

Government's Exhibit Nos. O-31 and O-32 indicate that we revised the cabinet, taking out the one and putting in a new cabinet on December 6, 1930; this cabinet being equipped so that five outgoing calls could be handled at one time; key thrown and the operator talk to all five lines at one time. This was equipped with an operator's breast plate and receiver.

282 Government's Exhibit No. O-33 indicates that on December 18, 1930, we changed the telephone numbers on the lines Crawford 7215 to 19, inclusive, to Crawford 7213 to 17, inclusive.

Government's Exhibit No. O-31 indicates that on 9/29/31 we changed the service on Crawford 7213 to 7217 from one-way to two-way service.

Government's Exhibit No. O-31 indicates that on September 17, of 1933, we changed the location of the key cabinet remaining in the same premises.

Government's Exhibit No. O-32 indicates that on August 7th of 1934, we removed the private line from this key cabinet.

Exhibits Nos. O-33 and O-35 indicate that on September 27th of 1934, we changed Crawford 7212 from an instrument to a line terminating in the key cabinet and removed the operator's breast plate and receiver.

Government's Exhibit No. O-34 indicates that on August 19th, 1935, we installed a terminal to our long distance switchboard at 111 West Washington Street, enabling the customer to make toll calls without going through our local central office.

Government's Exhibit No. O-34 indicates that on October 3, of 1935, we installed a second long distance terminal.

Government's Exhibits Nos. O-33 and O-36, indicate that on December 5, 1935, we removed five trunk lines from the cabinet.

Government's Exhibit O-34 indicates that on December 5th, of 1935, the two long distance terminals were removed.

283 Government's Exhibit O-36 indicates that on November 17th of 1936, billing for the key cabinet was increased for two private lines from Glencoe to terminate in the cabinet.

Government's Exhibit O-36 indicates that on December 15th of 1937, one key was removed from the key cabinet because of a private line from Cicero, Illinois, that was discontinued.

Government's Exhibit O-35 indicates that on August 1, of 1938, we transferred this service from 2135 South Pulaski to 4715 Irving Park Road on the second floor, installing, on this same record, four central office lines, Kildare 7140 to 3, inclusive, and a key cabinet with two instruments for answering calls terminating on this key cabinet.

Mr. Thompson: We move to strike all this testimony on the same grounds of our objection.

The Court: Motion denied.

The Witness: Government's Exhibit No. O-38, the record indicates that on September 21, of 1931, we installed a key cabinet for a private line, including four private lines.

Exhibits O-39 and O-40 continue the record of that cabinet and this cabinet was continued from September 21, 1934, to August 23rd, 1938.

Government's Exhibit Nos. O-41, O-42, O-43, O-44, and O-45, are records of an additional cabinet at 2135 South Pulaski which was used for private line terminating. This cabinet was continued from September 24, 1934, to August 1st, 1938, at the address given. On that day it was moved to 4715 West Irving Prk Road on the second floor.

Government's Exhibits O-47, O-48, O-49, O-50, O-51, O-52, and O-53, are our records of a key cabinet installed at 284 2135 South Pulaski Road on the second floor on September 21, 1934. This cabinet was for termination of the private line and was continued until August 1st, of 1938. On that date it was moved to 4715 West Irving Park Boulevard on the second floor.

Government's Exhibit No. O-54 covers our record of a private line installed at 2135 South Pulaski Road terminating at 4715 West Irving Park Boulevard on the first floor.

Q. Can you indicate with a pin on this map where that wire went?

Mr. Thompson: We don't want to interrupt the sticking of pins in this board, but we object to any further demonstration of that kind, and want our objection to stand to each such operation, on the ground that it is immaterial and does not tend to prove any issue in this case, and no connection with the defendant Johnson.

The Court: Overruled.

Mr. Thompson: May it be understood, your Honor, that the objection will stand, without my repeating it? I don't want to interrupt.

The Court: Each such operation, if any more are made.

The Witness: Government's Exhibits O-55 and O-56 is our record that on March 24, 1936, we installed a private line at 2135 South Pulaski, to 2133 South Kedzie, on the second floor. I know where that address is.

(Witness complies with request to put pin in map where wire went.)

This private line continued at that address until August 1, 1938.

285 Government's Exhibits O-57 and O-58 is our record showing that on March 24, 1936, we installed an extension on a private line from 2135 South Pulaski to 4715

Irving Park Boulevard, to 3332 North Milwaukee, on the second floor.

By "extension" I mean it was a line connected to the other line, so that there are three answering points; this line went out to 2135 South Pulaski, to 4715 Irving Park Boulevard, and to 3332 North Milwaukee.

(Witness places pin in board indicating 3332 N. Milwaukee.)

The Witness: I can explain by use of these pins how this wire went from where to where. The wire runs from 2135 Pulaski to 4715 Irving Park; 2135 South Crawford Avenue to 4715 Irving Park, to 3332 Milwaukee, all three points being on the same line. Crawford Avenue was changed to Pulaski Road; I am not sure of the date; within the last four or five years.

Government's Exhibits O-59 and O-60 is our record of a private line installed March 24, 1936, extending the private line from 3332 North Milwaukee avenue to 4721 North Kedzie, on the second floor.

(Witness indicates by pin on map the latter address.)

Government's Exhibits O-61 and O-62 is our record of a private line installed on March 25, 1935, one at the end of 2135 South Pulaski Road, and the other station at 6245 Cottage Grove, on the second floor.

(Witness indicates by pin on map where that address is.)

Government's Exhibits O-63 and O-64 is our record of a private line installed on April 10, 1936, at 2135 South Pulaski to 1205 North Dearborn Street, in the basement of the premises, with an extension to the second floor.

286 (Witness indicates by pin on map where that location is.)

Government's Exhibit O-65 is our record of a private line installed on April 28, 1936, from 2141 South Pulaski on the second floor, to 4020 Ogden Avenue, on the first floor.

(Witness indicates where that is on map.)

Government's Exhibits O-66 and O-67 cover our record of an extension added to the private line at 6245 Cottage Grove to 5325 South Lake Park Avenue, on the second floor. I have already put a pin in the map to indicate this location.

(Witness indicates the location of that extension from that address.)

I have just put in the address 5325 South Lake Park.

Government's Exhibit O-68 is our record of an extension added to a private line at 4715 Irving Park Road, on the first floor, to 6825 North Milwaukee.

(Witness indicates where this address—6825 North Milwaukee—is.)

I am not acquainted with the place out there.

Government's Exhibits O-69 and O-70 is our record of a private line installed on August 20, 1936, from 2135 South Pulaski to 2141 South Pulaski, second floor. There are already pins here for 2141. 2141 would be right below this one.

(Witness puts pin as closely as he can to that location.)

Government's Exhibits O-71, O-72 and O-73 is our record of an extension installed on August 26, 1938, from a 287 private line at 6825 Milwaukee to 4301 North Harlem.

I have already indicated 6825 Milwaukee.

(Witness points out where he located it.)

I can indicate on the map the place to which a private line went from there. (Indicating.) 4301 North Harlem.

The Court: The Court will take judicial notice that it is five and three-quarter miles north.

Government's Exhibit O-74 is our record of a private line installed on May 20, 1937, as an extension of the private line at 4721 North Kedzie to 3332 North Milwaukee. I have already placed a pin in the map at 4721 North Kedzie. The new address is 3332 North Milwaukee.

Government's Exhibit O-87 indicates that on August 12, 1936, we installed a private line from 2135 South Pulaski Road, on the second floor, to 11901 Vincennes Avenue, in Blue Island.

Government's Exhibits O-75 and O-76 is our record of a private line installed on July 2nd, 1937, between 2133 South Kedzie, on the second floor, and 3209 West Ogden, on the first floor.

Government's Exhibit O-77 is our record of a private line installed on February 11, 1938, between 2135 South Pulaski Road and 2141 South Pulaski Road. That is already on there, those two addresses have them on.

Government's Exhibits O-78 and O-79 is our record of a private line installed on February 11, 1938, from 2135 South Pulaski to 2133 South Kedzie, on the second floor.

I have already mentioned that address.

288- Government's Exhibit O-88 is our record of a pri-

vate line installed on February 11, 1938, between 2135 South Pulaski and 4020 West Ogden. I have mentioned that address before.

Government's Exhibits O-81 and O-82 is our record of a private line installed on February 11, 1938, as an extension of a private line from 4721 North Kedzie to 3946 West School, on the second floor.

Government's Exhibits O-83 and O-84 is our record of a private line installed on February 23, 1938, from 2135 South Pulaski to 4715 West Irving Park Road, on the first floor. I have mentioned that address previously.

Government's Exhibits O-85 and O-86 is our record of a private line installed on February 23, 1938, as an extension on another private line from 4715 West Irving Park on the first floor, to 3946 West School, on the second floor. I have mentioned that address before.

Government's Exhibits O-88 and O-90 is our record of a private line installed on March 9, 1938, an extension of a private line at 6245 South Cottage Grove to 5325 South Lake Park Avenue, on the second floor. I have mentioned that address before.

Government's Exhibits O-90 and O-91 is our record of a private line installed on March 9, 1938, from 2135 South Pulaski Road to 6245 Cottage Grove, on the second. I have mentioned this address before.

Government's Exhibits O-92, O-93, and O-94 is our record of a private line installed at 2135 South Pulaski to 289 1205 North Dearborn, on the second floor—installed on March 9, 1938. I have mentioned that address before.

Government's Exhibit O-95 is our record of a private line installed on March 14, 1938, between 2135 South Pulaski Road and the southeast corner of Dundee and Sunset Road, in Glencoe.

Government's Exhibits O-96 and O-97 is our record of a private line installed on March 15, 1938, as an extension of a private line from 4721 North Kedzie, on the second floor, extending it to 7515 North Clark Street.

Government's Exhibits O-98 and O-99 is our record of a private line installed on May 27, 1938, from 2135 South Pulaski Road to the northwest corner of Devon and Lincoln, in Lincolnwood.

Government's Exhibits O-100, O-101, O-102, and O-103 is our record of a private line installed on June 10, 1938,

between 2135 South Pulaski and the northwest corner of Devon and Lincoln, in Lincolnwood.

Mr. Plunkett: Q. Was this account under your supervision?

Mr. Thompson: I move to strike all of this on the same ground as mentioned in our objection.

The Court: Denied.

The Witness: It was until August 1st, of 1938.

I am manager of the LaFayette unit and this one was under my jurisdiction until August 1, 1938.

We transferred the key cabinet equipment to 4715 Irving Park Boulevard, which then transferred the account to another district. We transferred it from 2135 South Pulaski Road.

290 I mean by that that this first pin I put in the map at the Central location of these private wires was moved up to 4715 Irving Park. I have a personal recollection of this account. The only person I knew in connection with the account was Mr. Morgan. That is the individual whose picture I identified previously. I came to know him over the telephone with reference to the account. In speaking over the telephone, he identified himself either as Morgan or as Frank-Vase. I did have occasion to visit him coincident with the moving of the equipment to 4715 Irving Park Road.

Mr. Morgan called me on the day that the equipment had been installed and he said he wished I would come up because he didn't believe it was entirely as I had represented it to be. I went up there and found the equipment on the second floor at 4715; it was an office room. Quite a large room.

It was a transmitter and a key for the operation of the transmitter, together with the two key cabinets I have referred to. A key cabinet is a small box, in this case about eight inches long by, maybe, three or three and a half inches wide, by three and a half inches high, in this case with six keys by which we can connect lines, and can throw keys and make calls through to the next one. There was a telephone instrument connected with that; I believe they are hand sets; I can tell from the record.

There was a teletypewriter. I saw the same people
291 that I previously mentioned at 2135 South Pulaski:

Mr. Morgan and a party that he called "Roy," and a man who appeared to me to be a workman. I did overhear

a conversation between Morgan and Roy on those premises at that time.

I don't remember any of the conversation. It was something regarding one of the locations at which we had telephone service.

After I left the office Mr. Bentley Moore of the telephone company took over jurisdiction of this account. It went into the division of the telephone company known as our Irving-Kildare district.

Cross-Examination by Mr. Thompson.

I have worked for the telephone company since the spring of 1929. I have been working for them through all the period from that time up to date here in Chicago.

I did not produce all these records and a lot more in the Annenberg investigation.

I did not know that all these places I got marked with little red buttons on this map here are horse parlors or bookies. I do not know that of my own knowledge.

I do not know how many telephones the Illinois Bell had in bookies in this same period I have been talking about in Chicago.

292 Of my own knowledge, I never installed a telephone in any place that I knew was a bookie. I don't believe I know what a bookie is. I never placed a bet in a bookie; I don't know.

I do not know any of these men here in the court room sitting at the table where you are sitting, or at the table to your right here. To my knowledge, I have had no dealings with any of these men in connection with this installation of telephones I have been testifying about.

The man that told me his name was Morgan when talking to me about his account, called himself Vase on one of the two occasions; he also called himself Morgan. I didn't make any inquiry about that inconsistency. He would say, "This is Vase talking," or "This is Morgan talking." He would announce himself at the beginning of our conversation. At the beginning of the conversation he would announce himself one way or the other. I knew it was the same fellow which ever way he announced himself. I believe he gave the name of Morgan the first time he made contact with me. I was talking with him over the telephone; I don't know who I was talking to. I met him personally within two or three months—then I met him

face to face; he told me his name was Morgan. I believe he had called himself Vase once or twice up to that time; that was before I met him. I didn't make any comment during the first conversation when he called himself something else than Morgan. I don't believe I can remember

how many conversations I had with the man named
293 Morgan before the same voice called itself Vase. My first conversation with the man on the 'phone who identified himself as Morgan, as I remember, was as early as 1938. This all started way back in 1930, but we had received orders from other people too, prior to that time. These orders have to do with the Vase account that I have been testifying about; I was referred to Mr. Morgan. When this account was first opened up, a man by the name of Vase opened it up. He did not open it up with me personally.

Government's Exhibit Number O-31 shows the application was taken by Mr. H. L. Rank, who was in our employ. It shows it was taken from a party who purported to be Frank Vase. I don't know whether it was or was not Frank Vase. In other words, the records simply show an account opened in the name of Frank Vase—by a party who represented himself to be Frank Vase. We would ask the name in preparing the application. I don't know anything about the person or identity of the account, only what that record shows to me at the opening of the account.

I had no personal contacts with anyone other than Morgan who was looking after that account. The first time I had personal contact face to face with anybody connected with the account was in 1938 when I contacted Mr. Morgan. I was familiar with the preparation and the record on the cards; the cards are kept in the regular course of business. I know nothing about it, except what is on those cards.

Mr. H. L. Rank is still in our employ; he took this application. Mr. Rank checked Frank Vase's credit when
294 this account was opened; I mean the preliminary investigation to determine if we had any previous bills under this name would be at the time he took the application. Mr. Rank okayed the credit; I believe that is his handwriting.

This memorandum that I was reading from, I was asked by the United States Attorney to prepare it; to interpret the record while I had control. My interpretation covers the information up to August 1st, 1938, when it went to another man. It covers the essential information regarding

the changes and revision of equipment. There are changes in telephone numbers that have been effected and referred to. There is information regarding the other telephone service he had at the time of the application and some changes that were effected by ordinance, such as the change from Crawford Avenue to Pulaski Road. That was just a change of a street name. The signed request to change the account from Frank Vase to John Flanagan according to O-126-A was dated September 11, 1939. The signed request was not signed by Frank Vase at all. The person who purported to be John Flanagan indicated that he would accept the responsibility for that change.

The exhibit says, "In consideration of the Illinois Bell Telephone Company assigning the telephone number to blank and number blank, I agree to release the said number upon the request of said company and indemnify safe and harmless said company against any claim of suit by blank, its former subscriber, because of the assignment of said number to me." The name John Flanagan appears thereon.

Every subscriber does not sign that. I don't know why 295 we had a special one signed by Mr. Flanagan. I didn't

handle that transaction personally. I don't know who signed this document, excepting the name is John Flanagan; that is all I know about it. The present subscriber did not sign the blank space on there where the present subscriber would ordinarily sign. I do not know if Mr. Vase was still alive when this transaction took place on September 11, 1939. That had to do with only one 'phone at Crawford 1066. That is at 4020 West Ogden Avenue.

I don't know anything about who owned these properties where these 'phones were installed.

I do not know what use was made of the facilities we installed. All I know about is what I testified to from the records that were before me. I read the symbols and other data that is written on these records, that is all I know about it.

Redirect Examination by Mr. Plunkett.

Q. You were asked about this John Flanagan change there on September 11, 1939, and his telephone number at that time was Crawford 1066?

A. Yes. At 4020 Ogden Avenue. The telephone number prior to 1066 at 4020 Ogden Avenue, the record shows to be Rockwell 5900. The change was made from Rockwell 5900 to Crawford 1066 in March 10, 1939.

Mr. Plunkett: Now, if the Court please, the Government will offer in evidence EXHIBITS O-31 to O-124, inclusive, and EXHIBITS O-126, O-127, and O-126-A, inclusive, and O-125.

296 Mr. Thompson: We object to O-31 to O-124, inclusive, and O-126 as immaterial, as having no connection with any defendant in this case; and we object to O-126-A as not having been identified with any defendant in this case; and if the identity of name identifies one of the defendants, then we object on behalf of all the other defendants, as there being no connection; we object to O-127 for the same reason as O-126-A.

We object to all of these documents as being mere duplication and cumulative evidence as to this witness' testimony insofar as the witness' testimony relates to the documents; and in all other respects the material and matter of the documents has not been presented and it is unintelligible to anyone except when it is interpreted by one familiar with the symbols, and so forth; the documents do not in any way tend to support the issues in this case, and are outside the bill of particulars.

The Court: Overruled.

(Said instruments so offered and received in evidence were thereupon marked GOVERNMENT'S EXHIBITS O-31 TO O-124, INCLUSIVE, AND O-126, O-127, O-126-A, AND O-125.)

297 BENTLEY H. MOORE, called as a witness on behalf of the Government, having been first duly sworn, was examined and testified as follows:

Direct Examination by Mr. Plunkett.

My name is Bentley H. Moore; I live in Chicago, Illinois. I am employed with the Illinois Bell Telephone Company as local manager. I was local manager of the Irving-Kildare office of the company. I was local manager from January 1, 1934, until about August 21, 1938.

I am familiar with the Frank Vase account. I recall that account coming into our office from somewhere else in the city. It was moved into 4715 Irving Park Boulevard.

I have seen Government's Exhibits O-31 to O-124, inclusive, before. I have previously, at the request of Gov-

ernment's counsel, gone over those exhibits and prepared notes thereon for the purpose of stating what those records show with relation to that service. I can from my notes and the exhibits state the changes in service with respect to private wires going into different locations from the address 4715 Irving Park Road. This came under my control August 1, 1938.

Mr. Plunkett: This is a continuation, if the Court please, from the time of August 1st, when the last witness stopped.

Mr. Thompson: Now, to save time, if the Court please, we want to let the same objection stand to this witness' testimony as we made to the other.

298 The Court: That may be. Overruled.

The Witness: I have here a record of a private line used for broadcasting purposes, going in August 1, 1938. The number of the exhibit is O-54.

The number was 36017, from 4715 West Irving Park, second floor, to 4715 West Irving Park, first floor. That private line was discontinued on November 2, 1939.

I have a record of Government's Exhibits O-55 and O-56, going in August 1, 1938, private line number 36012, from 4020 West Ogden Avenue, first floor, to 2133 South Kedzie Avenue, second floor. I have a record here of moving station 1, first telephone on that private line, to 4715 West Irving Park, second floor, on October 26, 1938. I have another record of moving the first station on that private line to 4020 West Ogden, the first floor, on December 6, 1938. That private line was discontinued on November 6, 1939.

On Government's Exhibit O-57 and O-58 I have a record of a private line going in August 1, 1938, the number 36011, from 3332 North Milwaukee Avenue, second floor, to 3946 West School Street, the second floor. That was an extension on another private line running to 3332 Milwaukee. That line was discontinued September 20, 1939.

With reference to Government's Exhibits O-59 and O-60, this line went in August 1, 1938, the number of the private line was 36015, from 4715 West Irving Park, second floor, to 4011 North Monticello, the first floor. This line 299 was discontinued on September 28, 1939.

Government's Exhibits O-61 and O-62 was put in August 1st, 1938, the private line number 36014, from 5325 South Lake Park Avenue, the first floor, to 6245 South Cottage Grove Avenue, the second floor. That was an extension

on another private line terminating at 5325 South Lake Park. That line was discontinued September 8, 1939.

On Government's Exhibits O-63 and O-64, put in August 1, 1938, private line number 36000, from 4715 West Irving Park, second floor, to 1205 North Dearborn, in the basement. The station at 1205 North Dearborn had an extension telephone running into the same building. That private line was discontinued September 28, 1939.

Government's Exhibit O-65 was put in service August 1, 1938, private line number 36003, from 2141 South Pulaski, first floor, to 4020 West Ogden, first floor. That was an extension on another private line running into 2141 South Pulaski. That private line was discontinued September 23rd, 1938.

Government's Exhibits O-66 and O-67 put in service August 1, 1938, the private line number was 36006, from 4715 West Irving Park, second floor, to 5325 South Lake Park, first floor. That was discontinued on August 8, 1939.

Government's Exhibits O-69 and O-70, put in service August 1, 1938, the private line number 36004, from 4715 West Irving Park, the second floor, to 2141 South Pulaski, the first floor. That was discontinued September 23rd, 1938.

300 Government's Exhibits O-71, O-72 and O-73 was put in service August 1, 1938, the private line number 36008, from 4715 West Irving Park, the second floor, to 4301 North Harlem Avenue, the first floor. That was discontinued October 26, 1939.

Government's Exhibit number O-74 placed in service August 1, 1938, private line number 36002, from 4715 West Irving Park, the second floor, to 3332 North Milwaukee, the second floor. That service was discontinued September 28, 1939.

Government's Exhibits O-96 and O-97, installed August 1, 1938, private line number 36001, from 4715 West Irving Park, the second floor, to 7515 North Clark, the first floor. Discontinued September 8, 1939.

Government's Exhibits O-98 and O-99, put in service August 1, 1938, private line number 36016, from 4715 West Irving Park, the second floor, to the northwest corner of Dearborn and Lincoln Avenues in Lincolnwood, Illinois, first floor. Discontinued September 28, 1939.

Government's Exhibit O-107, installed August 1, 1938, private line number 36005, from 4715 West Irving Park

Road, the second floor, to 7212 Circle Avenue, Forest Park, Illinois, the first floor. That was discontinued on November 10, 1938.

Government's Exhibit O-108, installed on August 1, 1938, private line number 36009, from 4011 North Monticello Avenue, the first floor, to 4721 North Kedzie Avenue, the second floor. That was an extension on a private line terminating into 4011 North Monticello Avenue, the 301 first floor. That service was discontinued September 28, 1939.

Government's Exhibit O-109, installed August 1, 1938, private line number 36007, from 4715 West Irving Park Road, the second floor, to 6825 North Milwaukee Avenue, first floor, Niles, Illinois. That was discontinued September 27, 1938.

Government's Exhibit O-110, installed December 6, 1938, private line number 36018, from 4715 West Irving Park Road, the second floor, to 4020 West Ogden Avenue, the first floor. That was discontinued on November 27, 1939.

Government's Exhibit O-111, installed 12/16/38, private line No. 36019, from 4715 West Irving Park Road, first floor, to 4837 North Elston Avenue, basement. That was an extension on a private line terminating at 4715 West Irving Park Road, first floor, and that was discontinued February 7, 1940.

Government's Exhibits O-112, O-113, installed December 16, 1938, private line No. 36020, from 4715 West Irving Park Road, the second floor, to 7214 Circle Avenue, Forest Park, Illinois, the first floor. Discontinued August 28, 1938.

Government's Exhibit O-114, installed June 7th, 1939, private line No. 36023, from 4715 West Irving Park, the second floor, to 1219 Orchard Avenue, Maywood, Illinois, first floor. That was discontinued August 28, 1939.

Government's Exhibit O-74 and Government's Exhibit O-76, installed August 1, 1938, private line No. 36013, 302 from 2133 South Kedzie Avenue, the second floor, to 3209 West Ogden Avenue, the first floor. That was discontinued November 6, 1939. That was an extension on another private line terminating at 2133 South Kedzie, second floor.

With reference to Government's Exhibits O-50, O-51, O-52, O-53, installed August 1, 1938, key cabinet No. 136,

located at 4715 West Irving Park Road, the second floor. Discontinued February 7, 1940.

Government's Exhibits O-44, O-45 and O-46, installed August 1, 1938, key cabinet No. 157, located at 4715 West Irving Park Road, the second floor, also discontinued February 7, 1940.

Government's Exhibit O-77, put in service August 1, 1938, private line No. 36508, from 4715 West Irving Park Road, the second floor, to 2141 South Pulaski, the first floor. Discontinued September 23, 1938.

Government's Exhibit O-78 and Government's Exhibit O-79, installed August 1, 1938, private line No. 36507, from 4020 West Ogden, first floor, to 2133 South Kedzie Avenue, the second floor. That was an extension on a private line terminating at 4020 West Ogden, the first floor. On October 26, 1938, station 1 of this private line was moved to 4715 Irving Park, the second floor. On December 6, 1938, station 1 was again moved, this time to 4020 West Ogden, the first floor.

302 Government's Exhibit O-80, installed August 1, 1938, private line No. 36505, from 2141 South Pulaski, the first floor, to 4020 West Ogden, the first floor. That was an extension on a private line terminating at 2141 South Pulaski, the first floor, and it was discontinued September 12, 1938.

Government's Exhibits O-81 and O-82, installed August 1, 1938, private line No. 36504, from 4715 West Irving Park, the second floor, to 4011 North Monticello Avenue, the first floor. Discontinued February 7, 1940.

Government's Exhibits O-83 and O-84, installed August 1, 1938, private line No. 36502, from 4715 West Irving Park Road, the second floor, to 4715 West Irving Park Road, the first floor. Discontinued February 7, 1940.

Government's Exhibits O-85 and O-86, installed August 1, 1938, private line No. 36503, from 4715 West Irving Park Road, the second floor, to 3946 West School Street, the second floor; on December 6, 1938, station 1 of that private line was moved to the first floor and terminating as another private line which terminated in the first floor at that address. That was discontinued February 7, 1940.

Government's Exhibits O-88 and O-89, installed August 1, 1938, private line No. 36501, from 4715 West Irving Park Road, the second floor, to 5235 South Lake Park Avenue, the first floor. That was discontinued August 28, 1939.

Government's Exhibits O-90 and O-91, installed August 1, 1938, private line No. 36500, from 5325 South Lake Park Avenue, first floor, to 6245 South Cottage Grove Avenue, the second floor. That was discontinued on September 8, 1939, and was an extension on a private line terminating at 5325 South Lake Park Avenue, the first floor.

Government's Exhibits O-92 and O-93, installed August 1, 1938, private line No. 36506, from 4715 West Irving Park Road, the second floor, to 1205 North Dearborn, the second floor. The second station on that private line had an extension on it into the same building. That was discontinued February 7, 1940.

Government's Exhibits O-100, O-102, and O-103, installed August 1, 1938, private line No. 36511, from 4715 West Irving Park Road, the second floor, to the northwest corner of Devon and Lincoln, Lincolnwood, Illinois, first floor; discontinued February 7, 1940.

Government's Exhibit O-115, installed August 1, 1938, private line No. 36509, from 4715 West Irving Park Road, the second floor, to 7212 Circle Avenue, Forest Park, Illinois, first floor. Discontinued November 10, 1938.

Government's Exhibits O-116 and O-117, installed August 1, 1938, private line No. 36510, from 4011 North Monticello, the first floor, to 4721 North Kedzie Avenue, the second floor. Discontinued February 7, 1940. That was an extension from another private line terminating at 4011 North Monticello Avenue, the first floor.

Government's Exhibit O-118, installed December 6, 1938, private line No. 36512, from 4715 West Irving Park, 305 the second floor, to 4020 West Ogden Avenue, the first floor. Discontinued November 27, 1939.

Government's Exhibits O-119 and O-120, installed February 10, 1938, private line No. 36513, 4715 West Irving Park, the second floor, to 4837 North Elston Avenue, in the basement. Discontinued February 7, 1940.

Government's Exhibits O-121, O-122, and O-123, installed December 16, 1938, a private line, No. 36514, from 4715 West Irving Park, second floor, to 7214 Circle Avenue, Forest Park, Illinois, on the second floor; discontinued August 28, 1939.

Government's Exhibit O-124, installed June 8, 1939, private line No. 36515, from 4837 North Elston Avenue, in the basement, to 4301 North Harlem, first floor; discontinued February 7, 1940. That was an extension on another private

line, terminating at 4537 North Elston Avenue, in the basement.

306 At the close of the morning session I did describe two different types of wires that were run from the address at 4715 Irving Park Road to other locations. One type is a broadcasting type of private wire and the other is a talking type of private wire. The talking type of private line terminates at 4715 Irving Park. The talking type of private line terminates in a key cabinet. In other words, the person at the key cabinet is enabled, by throwing a key, to have a conversation over that phone with the person at the end of that private wire. And the other type of private wire I was testifying about is the broadcasting type, which at 4715 Irving Park is terminated in a speaking apparatus and transmitter. I can't exactly describe what type transmitter it is—I am not a technical man—except that it was known to me as a transmitter. In talking into this transmitter the voice would be carried over this line to these other points. That is one way service and the other was two way service. The exhibits that take in the key cabinet equipment are Exhibits O-50, O-51, O-52, O-53; O-44, O-45, O-56; O-77, O-78, O-79, O-80, O-81, O-82, O-83, O-84, O-85; O-86, O-88, O-89, O-90, O-91, O-92, O-93, O-100, O-101, O-102, O-103; O-115, O-116, O-117, O-118, O-119, O-120, O-121, O-122, O-123, O-124. All the other exhibits in that group refer to broadcasting equipment.

Other service at 4715 Irving Park was known as exchange service. That is, Central office service is the service that requires the assistance of an operator—just the regular, usual, every day telephone service.

The exchange service at 4715 Irving Park on August 1st, 1938, was a key cabinet with a capacity of six
307 central office lines installed on the second floor and at that time only four lines were installed, four central office lines.

The numbers of these lines were Kildare 7140, 7141, 7142 and 7143. I have some changes after that. On August 31, 1938, this key cabinet and the four lines, including this Kildare 7140, et cetera, were placed on suspended rate; that is, they were discontinued as far as being open was concerned. On November 23, 1938, this suspended rate was stopped and telephones were connected for use again.

On December 14, 1938, these telephone numbers, Kildare 7142 and 7143, were moved from the key cabinet to which I

referred to another key cabinet on the same premises. On August 18, 1939, we changed the telephone numbers from Kildare 7140, 7141, 7142 and 7143, to Palisade 5150, 5151, 5152 and 5153, and on February 2, 1939, this key cabinet and the four lines terminating into this Palisade 5150, 5151, 5152 and 5153 were again put on this suspended rate, and on February 7, 1940, all of the service was terminated.

I had contact with a Mr. Morgan concerning the service described at 4715 Irving Park. He did not give me any other name. Government's Exhibit O-125 is Mr. Morgan, that I have just testified about.

Cross Examination by Mr. Thompson.

Some of the phones I have just described were new installations on August 1, 1939. I think all of those at the time, August 1, 1938, were moves from one address to another and those at later dates were new installations.

Mr. Thompson: I move to strike the testimony on the ground stated for the previous witness.

The Court: Denied.

308 DONALD BLAKE, called as a witness in behalf of the Government, having been first duly sworn, was examined and testified as follows:

Direct Examination by Mr. Campbell.

My name is Donald Blake. I live at 8901 South Leavitt Street. I am a lawyer and business executive. I know the defendant, Mr. Creighton. I see him in the court room (indicating defendant Creighton). I should say that I have known him three or four years. I first met him in the Club Southland at 63rd and Cottage Grove. This meeting occurred three or four years ago, perhaps 1936 or '37. I had a conversation with him at that time. I believe there were a number of people around—I would not recall, at this time, who they were. It is possible Ralph Maye was there. He may have introduced me to Mr. Creighton, although I am hazy as to who introduced me to him. I don't believe I can fix the date of this talk other than '36 and '37.

The conversation related to permitting me to cash checks for gambling losses. Mr. Creighton questioned me as to

the amount I wanted as a limit on any checks that I might cash and I think it was mutually agreed a one hundred dollar limit would be established. I could cash checks up to that amount. I did thereafter cash checks pursuant to that agreement at the Club Southland off and on from about 1936, right through to 1939.

I frequented the Club Southland at intervals between the first conversation and say January, 1940. This club was located on the second floor. The marble stairway is divided about three-quarters of the floor up, a double stairway up to the second floor. You then entered a reception room that had a desk on it, had a bell on the desk. Ring the bell and a steel door would be opened by a man who would escort you into a small chamber where you were searched, for what I don't know. And upon being searched the signal was given to a man inside of another door, who opened that door and you were admitted to the larger room where the gambling was done.

309 I did go through this routine of getting in and out of this Club Southland for a considerable period of time. I finally mentioned to Mr. Creighton I did not like to be searched so frequently. He gave instructions I should be passed without searching. On the right as you went in there was a check room for checking hats and coats. Directly ahead were a tier of card tables or dice tables. I saw three or four of them. Then there were some roulette tables, black jack tables, bird cages. On the side wall were the racing sheets and chairs. The rear or east side was a series of cages for receiving and paying racing bets. On the northeast corner was a small office. The office was equipped with a table, a chair, a cabinet of some sort. It might have been a safe but I am not sure.

Originally, a number of years ago, I saw Ralph Mayo in the smaller office from time to time and later on Mr. Creighton.

In the small room where I had been searched there was a ladder going up above this chamber and at times I had seen one or more men up there. The only means of ingress or egress was a small ladder that extended up through the ceiling in this small entry room. I have seen someone in that upper room that I can't describe.

Mr. Thompson: We believe this is immaterial and prejudicial to the other defendants and as having no bearing whatever on any issue in this case. Can't possibly prove or

tend to prove the charge of income of Mr. Johnson or any attempt to evade income tax.

The Court: Overruled.

The Witness: I saw it occupied. I never was up there. I could see from the gambling floor that it had small slots in it that overlooked the gambling room. This room that I saw in the Southland I should judge would be about 75 by 150. At one time or another there was Keno in the evenings, slot machines from time to time. They would accommodate a mixture of coins. At one time there was as many as forty or fifty. At other times there were 310 not any.

I have seen defendant Creighton during the years '36 to '40 in the building at 119th and Vincennes and 9730 South Western Avenue. I talked with Mr. Creighton at 119th and Vincennes. I think Ralph Mayo was there. Some times Mr. Creighton was there. I did not have any particular conversation with Mr. Creighton at 119th and Vincennes. I did cash checks there. I believe at that time most of them were okayed by Mr. Mayo, although some may have been okayed by Mr. Creighton.

I had a conversation with Mr. Creighton with respect to 9730 Western Avenue at the Club Southland. I would say in April or May, 1939. There were lots of people in the room but none, as I recall, in the immediate vicinity of our conversation. Mr. Creighton advised me that they planned opening up the Club Western on the following Saturday and I told him that I objected to opening the Club Western in that particular part of the city, which happened to be near my home. And told him I did not think that the people in Beverly Hills would stand for it. I certainly did not approve of it and would do everything I could to have it closed.

Mr. Thompson: We object to all that conversation as immaterial and prejudicial to the other defendants and as having no bearing whatever on any issue in this case and can't possibly prove or tend to prove the income of Mr. Johnson or any attempt to evade income tax.

The Court: It may be received.

The Witness: Mr. Creighton protested that they ran a very clean gambling house and had a fine class of people there. I told him that we did not want the type of people that would be drawn to a gambling house. I said it would lead to hold-ups and burglaries in the residential section.

We did not want them drawn up there. He again protested that the class of people, or kind of place they ran would not cater or countenance the type of people I was objecting to.

311 Mr. Thompson: We object to that conversation as prejudicial to the Defendant Johnson and to the others and to Mr. Creighton, and having no bearing on any issue in this case and can't possibly prove the issues.

The Court: Its relevant. I can't see that it is material except the statement of Mr. Creighton that they were going to open up the house. The Jury are instructed to disregard the statements of the witness as to the character of the people that would be in the neighborhood. Put that out of your mind and try this case as though it had never happened.

The Witness: Following that conversation I did have occasion to visit 9730 South Western Avenue. I saw dice tables, roulette tables, black jack tables, chuck-a-luck, racing sheets, a complete lunch counter, and cashiers' cages.

I saw Mr. Creighton there and a number of others whom I knew by sight but not by name. I saw Mr. Creighton giving instructions, supervising, particularly the dice tables, and checking the cash items.

There was a money booth at 9730 South Western Avenue. I did see him in the booth. There was enough room for two at a time.

I cashed checks and gambled at the Club Western. I gambled and cashed checks at 119th and Vincennes. There was a money booth at the Club Southland. I saw Mr. Creighton in there checking cash.

At the Club Southland they had several tables, one of which was called the money game and the other the check game, the check game being fifty cents minimum, the money game a dollar minimum, with \$5 bills used to a considerable extent, and the money game normally had stacks of \$5 bills available for use and play. When the play got particularly heavy \$20 bills were also used; occasionally \$100 bills. I did not see any other denominations of bills in use at the Club Southland other than fives, twenties
312 and one hundreds. In pay-offs there were occasionally thousand dollar bills. I once had a transaction at the Club Southland where a thousand dollar bill was involved. Probably around 1938, I should say, I had won some money and I left it there with them overnight and

the following day I returned and was given the money and an escort to take it to the bank for deposit. Mr. Creighton furnished me with the escort.

When the horse races were on at the Club Southland there was a constant flow of race information, so-called opening lines, the odds quoted, information as to scratches or horses eliminated from the race for one reason or another; gave the running of the race, the results, and then the prices that the horses paid.

Government's Exhibits X-1 to X-138, inclusive, are my cancelled checks. They represent transactions between me and these gambling houses over the period 1936 to 1939, both inclusive. They are checks that I cashed at the gambling houses pursuant to the authorization of Mr. Creighton in accordance with my testimony heretofore.

Mr. Campbell: I offer in evidence GOVERNMENT'S EXHIBITS X-1 to X-138, inclusive.

Mr. Thompson: On behalf of the defendant Johnson there will be no cross-examination. I move to strike the testimony of the witness as having no connection with Mr. Johnson, no relation to his taxable income or any attempt to evade any taxes, and as being in no way material to any issue in this case.

The Court: Motion denied.

Cross-Examination by Mr. Hess.

My office is at 1000 East 67th Street. I am an executive of Charles G. Blake Company, in the monument business at Ellis Avenue and 67th. I have been there since 1930. Myself and family have been in that monument business for nearly fifty years. I lived in Beverly Hills when I was going to the Southland Club. The Southland Club was near my place of business. My best recollection is that the 313 first time I was in the Southland Club would be 1933 or '34. I would say that was about the beginning of my activities in the gambling field and since then I have gambled more or less off and on for amusement and pleasure.

I looked at Government's Exhibits X-1 to 138 before I took the witness stand. I am familiar with them. I cashed Exhibit X-1, being a check for \$100, on August 20, 1936. That is the date it bears. That was after I did some playing. Exhibit 56 was cashed after I had done some playing.

For a while, by agreement with Mr. Creighton, let's say the limit was fixed at \$150 to cash a check. I would frequently perhaps cash a check when I was through playing for \$185 so that I would have some cash on my person, and some times I would go out with the \$35, and other times I would play black jack, or something, and lose the \$35.

These one hundred and thirty-eight checks represent at least one hundred and thirty-eight times that I gambled at these various places. The fact is that I was there on more occasions than that and on many occasions I cashed no checks. I would say I was a consistent loser in the Southland or the 119th and Vincennes or the Western Club over a period of time.

I did do a good deal of winning between the losses and when I won I did not cash any checks. I would come back and gamble again notwithstanding that I lost. I would not say it was kind of in my blood to gamble.

During the period May and June, 1939, I think was probably the longest period of winnings. I did leave money at the club overnight frequently. I didn't like to have large sums of money with me. I did not want to go around in the neighborhood of 63rd and Cottage Grove, or any other neighborhood, with a lot of money in my pocket. When I came back the next day I got exactly what I left there for safekeeping, and on that one occasion they gave me a guard to go to the bank to deposit the money.

I think it was in the neighborhood of twelve or thirteen 314 hundred dollars. That was winnings. During the

months of April and May, 1939, I would say, I had a rather consistent series of winnings for that type of enterprise.

Q. In other words, you don't want the court and jury to understand that these Exhibits X-1 to 138 represent the net loss that accrued to you during your gambling transactions at these three places?

A. No, by no means. In other words, there was winnings and losses.

After my first experience at the Southland I went to 119th and Vincennes. I believe I saw Mr. Creighton there several times. That is in Blue Island. The place at 9730 Western Avenue is in the Township of Worth. It is not in Chicago.

After those conversations I had with Mr. Creighton, in which he advised me they were going to open up a room at

97th and Western I eventually did go out there. The Southland had closed. The Chicago place was not running but they were running out in the country. 119th and Vincennes was opened a year or two before the Club Western. The Club Western was opened after my first experience at the Southland.

Subsequent to my conversation with Mr. Creighton about his opening 97th and Western I frequented that place and entertained myself gambling. I was there quite often. I principally played dice. There was a limit of \$100 that you could bet at the crap game. One table had chips and the other had currency. That was the same limit that I observed in the other places. At times I played for those limits.

I don't recall ever having come in there and cashed a check, played, won and walked out with the currency.

I never made inquiry why I was being searched when I came in there. It seemed to be the custom. I assumed the reason was to keep out hold-up men.

315 Mr. Hess: That is all the cross-examination by me,

Your Honor, and I object to the admission of Exhibits X-1 to X-138 on the ground that they do not show or tend to show any net taxable income to Mr. Creighton, and furthermore not under any circumstances to Mr. Johnson as charged in this indictment.

The Court: Overruled.

(Said instruments, so offered and received in evidence, were thereupon marked GOVERNMENT'S EXHIBITS X-1 to X-138.)

Redirect Examination by Mr. Campbell.

On occasions I would take currency with me to the gambling houses to which I referred in my testimony, so that in addition to these checks there was also currency involved which I took along with me. Over the period of years that I gambled, '36 to '40, there was a loss in my operations.

I live out in the vicinity of Beverly Hills and I am familiar with 9730 South Western Avenue.

(Witness complies with request to place a pin on the location of 9730.)

Recross Examination by Mr. Hess.

I was not acquainted with any of the persons at the Southland any more than I could help. I didn't try to make acquaintances there. I did know some of the persons there by sight more than by name. I don't see anybody at these tables that I shot crap with at the Southland.

HARRY CIESLIK, called as a witness on behalf of the Government, having first duly sworn, was examined and testified as follows:

Direct Examination by Mr. Hurley.

My name is Harry Cieslik. I live at 5832 Medina. In the Spring of 1936 I worked at the Harlem Stables. 316 After I had a talk with a fellow that hangs around the same tavern I do, I went over to the Harlem Stables and tried to get in touch with Mr. Johnson. It took me a couple of days and I finally met him. I had a talk with Johnson at the Harlem Stables. I just told him that I was sent over there by this fellow, Bud Kendrick. I don't know of anything else that was said at that time. Johnson told me to come back in a couple of days. I did. I saw Mr. Johnson again (indicating defendant Johnson). He told me to see Pete Riley. He was on the floor of the Harlem Stables walking around. I seen Pete Riley and he put be to work shilling. I worked as a shill two days at the Harlem Stables. I was getting four dollars a day for working as a shill. I was paid in cash by the paymaster. After I worked two days as a shill I was put on the door to let people in. I worked on the door a couple of weeks. Then we closed up.

I don't remember where I went. I did not talk to Johnson.

I did work at another place than the Stables. It was some place about 7500 North Clark.

I went over to the Dev-Lin at Lincoln and Devon and finally McGrath sent me over to Clark Street. I was a doorman. I stayed there about a month. When I went to 7515 North Clark I saw a fellow on the floor. His first name was Jack.

I do not know of any talk with Johnson before I went

over to 7515 North Clark Street. After I worked on the door at 7515 North Clark I worked at Division and Dearborn. Barney McGrath sent me over there. I saw Mr. Kelly when I got over to the D. and D. Club (indicating the defendant Kelly). I talked to Mr. Kelly there. I told him that Barney McGrath sent me over there, so I went to work. He put me to work as a doorman.

While I was working at the Harlem Stables I may have seen Johnson once or twice. I might have seen him at the D. and D., I don't remember. When I saw him at the Harlem Stables he was just walking around.

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Cross-Examination by Mr. Thompson.

I don't know what bar room I was hanging around when I got this first tip of a job. I go to a lot of places. I don't remember what bar room I was hanging around when this man, I don't even know, told me to go to see Bill Johnson about a job. When you start you hang around with a bunch of fellows and you go from tavern to tavern. I don't know which one it was. I just flit from tavern to tavern, not just hanging around, but go around once or twice a week. When I get off I like to go out, myself. When I was hanging around one of these places I was looking for a job. I never did go around any gambling clubs and this fellow that told me to go hunt for a job told me to go out to the Harlem Stables and that if I saw Mr. Johnson he might give me a job. I went out several times before I found Mr. Johnson. I did not know Bill Johnson. I did not know what kind of fellow I was looking for. I did not know anything about Mr. Johnson at that time.

I inquired for Mr. Johnson at the Harlem Stables. I made three or four trips before I found him. When I did find him I talked about a job. He talked in a friendly way. He didn't know me. He told me he would see what he could do for me and to come around in a day or two. I came over two days later. I found him there but don't think he was there when I got there. I waited for him. I don't remember what time of the night he came. It was late in the evening. When he came I asked if he had been able to find a job for me. He told me to see Mr. Riley. Mr. Riley was the man there at the Harlem Stables just walking around the floor. That is all I seen him doing. He had something to do with arranging the games. I don't

know what he had to do about making payments of bets. He seemed to have charge of the place. I went to him and asked for a job and he gave me one.

I worked two days as a shill. Then he put me on the 318 door. I stayed at the door a while. I saw Mr. Johnson come out occasionally. I was out of work just a couple of weeks when I got another job. I was driving a truck.

I went out to the Dev-Lin Club months later. I was driving a truck a while in the meantime. Then I went to the Dev-Lin. I heard the Dev-Lin was operating in Lincolnwood and I went out there and inquired for a job and got one.

They told me they didn't have any work but I could get a job at 7500 Clark. I went to 7500 Clark. I saw a fellow by the name of Jack. I think he was the floor man. I talked to him. He gave me a job. I worked there about a month as door man. I was at that place when I got a job over at the D. and D. I don't know that Mr. Kelly had called up and asked for an extra door man. I don't know anything about that. I talked to Mr. Kelly who hired me. He kept me working there six months as a door man. I quit working there about September '39 when the place closed about June or July. I don't know that it has been closed ever since.

I have not worked at any gambling club since September. I am back on my old job, driving a truck.

I said I saw Mr. Johnson occasionally in and out of the D. and D. Club. He didn't recognize me that I know of. Everybody coming in would say "Hello". As they would come up I would hold the door open and they would say "Hello" and I would push the door closed and when they came out they would say "Goodbye".

LEO DIDIER, called as a witness in behalf of the Government, having been first duly sworn, was examined and testified as follows:

Direct Examination by Mr. Hurley.

My name is Leo Didier. I live at 725 Pearson Street, 319 Des Plaines.

I have been at the House of Niles. It was on Milwaukee Avenue, right close to Touhy Avenue. It is not any more. I was parking cars out in the yard. Before I

was parking cars I went in there to play. I talked to Jack Sommers, I believe, about getting a job. I see Jack Sommers here (indicating the defendant Jack Sommers). As far as I can remember it was in August, 1936.

Q. What did Sommers say when you asked him for a job?

A. He says he would have to see Bill Johnson.

Mr. Thompson: We object to any such conversations out of the presence of Mr. Johnson.

The Court: Overruled.

The Witness: After Sommers told me to see Bill Johnson I did see him at the House of Niles. I did talk to Johnson. I asked him for a job. He told me to go out and park cars at four dollars a day. I told him I could not get along on that as I had a big family. "Well", he said, "Make it five dollars". I went to work parking cars at the House of Niles. I worked there about a month. I saw the defendant Hartigan at the House of Niles.

After I finished working at the House of Niles I went over to the Harlem Stables. They closed up the House of Niles and I moved right along over there with them. No one told me to go over to the Harlem Stables. I took care of the yard and parked cars over there. The same work that I was doing at the House of Niles. My working hours were from 12:00 noon until 8:00 in the evening.

I saw the defendant Johnson occasionally at the Harlem Stables. I talked with him over there at different times.

I did speak to him about extra work at night so I 320 could earn more money if I could put in more time.

He finally sent me over to the Villa Moderne, put me on there in the evening. They told me to go see Mr. Wait there. I worked at the Harlem Stables until the following September. When I first started to work at the Harlem Stables I was working one shift eight hours. I worked from 12:00 until 8:00. Then later on I started taking care of cars, working there extra hours in the morning. I spoke to Jack Sommers and he let me clean up the yard, take care of it, and put in extra hours in the morning.

While I was at the Harlem Stables I met a man named Wait. I did talk to him. I asked him about whether there was any chance to get on at the Villa Moderne in the evening. He said I would have to see Mr. Johnson about that. I did see Mr. Johnson. I just asked about extra work, an extra shift in the evening. He sent me out to

the Villa Moderne. I was parking cars there. I don't remember the exact dates, but three or four months. After I worked at the Villa Moderne they were all closed up. That is the last work for them until in the winter of '38.

I went over to the Horse-Shoe in the winter. I saw Jim Hartigan and Mr. Johnson. I did talk to Mr. Johnson. I asked for work. He sent me to Jim Hartigan. He said Jim Hartigan would put me to work. I went to work shilling, from December '38 until May '39.

Cross-Examination by Mr. Thompson.

I have lived at 725 Pearson Street, Des Plaines, for the last six years. Prior to that I lived in Morton Grove. I am a brother of the Mayor of Niles. He has been the Mayor about two years. I have eleven children.

I have known Mr. Johnson quite a while. The House of Niles was operated in the Village of Niles where my brother is Mayor. Mr. Johnson used to play at that house. I didn't know him prior to the time I went to work there. I didn't know who he was.

321 No one suggested that I go over to the House of Niles. I just took it upon myself. I figured there was a chance to work there, so having lost money there I thought perhaps I could. I seen other fellows working there I knew and I thought there was a chance of my working there. I was gambling at the House of Niles. I lost some money there. I did not speak to my brother, who is the Mayor of Niles, about it.

When I went over to Sommers about giving me a job I reminded him that my brother was Mayor. He told me to see Mr. Johnson. Mr. Johnson was not there at the time. I saw Johnson the following evening. I had not been talking to Mr. Johnson prior to that about getting a job. He did josh me about my big family of children but not before that. I told him I had a big family. He wanted to pay me four dollars a day for parking cars and I told him I had this big family to keep and he said, "All right. Make it five". Then I worked there until they closed the place.

Then I went out with the rest of the people who were working there to this new place, Harlem Stables. I worked there until they closed up. I saw Mr. Johnson around there. I worked on his sympathy because of this big family I had. I kept hitting him for higher pay to take care of this large family. I did not keep on gambling.

After I worked there for a while they closed that place. That was the last I worked for him until the winter of '38.

Johnson showed an interest because of this big family I had and joshed me about it. I believe that fact that my brother was Mayor of Niles had something to do with his giving me a job, although my brother never interceded for me, not that I know of.

I don't know what they opened up next after the Harlem Stables closed. I didn't work for them until the following winter. During the summer I was working for myself. In the winter work was slack and I thought perhaps I could have a shift down there working in the evening at the 322 Horse-Shoe at Kedzie and Lawrence. I seen Jim Hartigan down there. I got acquainted with him when we were at the Harlem Stables from seeing him come in and go out. You couldn't help but get acquainted with them. I was promoting myself all the time. I am always trying to.

When I wanted another job I went to the Horse-Shoe to see Jack Sommers and I saw Hartigan there. I went there to get a job. I found Mr. Johnson there again and worked on his sympathy some more. He told them to give me a job and they did. They paid me four dollars. I worked there from the latter part of December '38 to May '39.

I quit working because my work at home was better for me than down there. I couldn't take care of day work and night work. I was working home daytime and down there nights. I did dry cleaning at home.

I worked in gambling houses after May 1939.

I said Johnson sent me out to the Villa Modern,—told me to go out there and get to work. I went out there. I saw Mr. Wait. He said I would have to see Mr. Johnson. After Johnson sent me out there, I did not have to go see Wait. I spoke to Mr. Wait at the Harlem Stables first. I happened to be there. I knew him from seeing him. I was looking for more pay and more work. I know I spoke to Mr. Waite about going out to the Villa Moderne out on Skokie Road a little the other side of Dundee. That was when I was working there in the summer of '37.

I worked at the Villa Moderne about three or four months from eight in the evening until three in the morning. I occasionally saw Johnson around there. I did not keep pestering Johnson for any more and better jobs; after I had them I had all I could take care of. I had no 323 objection to more pay. I got five dollars from eight to three in the morning. Then I went home to bed until

about eight or nine o'clock in the morning. Then I went to Harlem Stables and cleaned up the yard.

I had three jobs then. I cleaned the yard in the forenoon until my shift of parking cars started. They started at noon. My hours were from noon until eight o'clock but I started earlier to get over to the Villa Moderne, at eight o'clock. I had three jobs. Mr. Johnson got all of them for me. He took care of me so I could take care of these eleven kids.

GEORGE H. CERVENKA, called as a witness on behalf of the Government, having been first duly sworn, was examined and testified as follows:

Direct Examination by Mr. Miller.

My name is George H. Cervenka. I live in Berwyn. I am secretary and treasurer of the California Manufacturing Company. During the year 1938 my company had occasion to do some work at the Bon-Air Country Club. We had orders from Mr. Nadherny, the architect. There was approximately \$14,000 involved in that transaction. We made windows, frames, doors and interior finish. We were paid for the work by Mr. Geary at the club, mostly cash I think. There may have been one or two checks.

Government's Exhibit E-89 for identification is a sheet out of our general ledger, just invoices posted to the account under Mr. Nadherny's name.

Government's Exhibit E-89 for identification is part of the permanent record of our company. It is kept under my supervision and control and the entries made on this exhibit were made in the usual and ordinary course of business.

All of the items on the reverse side of Government's 324 Exhibit E-89 are listed as Wheeling, Illinois.

Mr. Thompson: We object to the exhibit on the ground that it is cumulative of the witness' testimony and attempting to corroborate their witness before there is any attempt to attack him; and no connection with any of these defendants. It does not prove or tend to prove any of the issues made by this indictment.

Cross-Examination by Mr. Thompson.

Pine Tree Farm, appearing on that sheet, is some work that we got from Mr. Nadherny, that was delivered to the Pine Tree Farm. I can't say that I know who owns the Pine Tree Farm. I did not deal with anybody except Mr. Nadherny in connection with the Pine Tree Farm. Mr. Nadherny paid for these items of work. I don't remember if it was cash or check.

I don't know that the Pine Tree Farm is the William Skidmore farm. I did not have any dealings with Mr. Skidmore. I do not know him. I never was out to the Pine Tree when this work was being done.

I was at the Bon-Air when I went there after collections for money five or six times, I suppose. Mr. Nadherny told me to ask for Mr. Geary to get my money. I did not go to the Pine Tree Farm to get my money.

Mr. Thompson: We further object to the admission on the ground it contains items other than Wheeling. Without explanation it does not protect the jury from confusion.

The Court: All of these items under Wheeling, Illinois refer to Bon-Air?

A. Yes, sir.

Q. And none of the others?

A. Not as I remember of.

325 Q. What was the work you did out there?

A. It was frames, sash, and interior finish, doors.

The Court: Objection overruled. The items thereon, under the name of Wheeling, Illinois, will be received.

(Said document so offered and received in evidence was marked GOVERNMENT'S EXHIBIT E-89.)

ROBERT E. KLING, called as a witness on behalf of the Government, having been first duly sworn, was examined and testified as follows:

Direct Examination by Mr. Miller.

My name is Robert E. Kling. I live at 1618 Catalpa, Chicago. I am comptroller for Albert Pick Company, who sell hotel and restaurant supplies and equipment.

Our company had occasion to supply material to the Bon-Air Country Club in 1939 and furnished equipment for the kitchen and supplies for the restaurant. I was dealing

with an individual by the name of E. H. Wait. My estimate would be that the transaction involved about \$8,000. We were paid for the material and labor.

Government's Exhibit E-32 for identification consisting of four pages of the original ledger cards of the Albert Pick Company re checking transactions with the Bon-Air Catering Company, Wheeling, Illinois, for the period May 3rd, 1938 to August 19th, 1939, inclusive. Those ledger sheets include the transactions of which I have just testified.

We received \$1,000 under date of May 3rd, 1938. We received \$5,000 on June 7th, 1939, and \$2500 on June 20th, 1939. On July 17th I received \$659.68, also on the 7th we received \$1473.12. On July 26th we received \$440.19. On September 5th \$1302.02. On September 18th \$246.93. On November 27th \$77.11. That is all the cash receipts for 1939.

The major portion of the material that was installed 326 at the Bon-Air Country Club was for kitchen equipment, ranges, dish tables, dish warmers, and heavy equipment of that type. The balance was china, glass and silver which is used in the restaurant.

Cross-Examination by Mr. Thompson.

I am not the salesman. I didn't take these orders. I have no personal knowledge as to who placed the orders. I know I directed a letter to Brinks Express Company, directing them to collect for our account the sum of \$5000. That was addressed to Brinks Express Company. They brought back \$5000. I don't know who gave it to them. I understood it was to be the cashier. I don't know where they went to get it. All I know is that they brought it back. Mr. D. Bolton, the salesman, is still in our employ.

STANLEY T. BORAS, called as a witness in behalf of the Government, having been first duly sworn, was examined and testified as follows:

Direct Examination by Mr. Miller.

My name is Stanley T. Boras. I live at 1716 North Melvina. I am treasurer of the Amco Corporation. They are in the oil equipment business.

In 1939 we had occasion to do some work at the Bon Air Country Club. We installed an elevated bandstand. We

charged approximately \$4300 for that labor and material. We were paid. The payments were made to me personally at our company's office. Mr. Alguire brought in the payments. I don't know the individuals that might have given him the money. I didn't see him get it.

327 Referring to Government's Exhibit E-81 for identification that is our ledger card. It shows the account with the Lightning Construction Company. That record is kept under my supervision and control. The entries were made in the usual and ordinary course of our business. It discloses the transactions at or about the time they occurred.

Mr. Miller: The Government will offer at this time EXHIBIT E-81.

Cross-Examination by Mr. Thompson.

I never was out at the Bon-Air Country Club. I do happen to know from the records of the company office that we bought material and delivered it to the Bon-Air Country Club, from the shipping information we have, and our service department made the installation at the Bon-Air Country Club. That is what they reported to me and I assume that is correct. I do not know anything about it except what is reported. I do know that somebody brought some money into our office. They paid the bills for it. All I know is from the information that we gathered in the office. I can't say who paid our agent the money except that he brought it into the office, and it was credited to this account with one exception. The first thousand dollars was placed in escrow upon entering into the agreement with Mr. Nadherny and on delivery of the merchandise the money in escrow was released to ourselves. Then it was credited to this account. Mr. Alguire brought that in. I believe it was a certified check. I can't say whose check it was. I know the name of the bank where the escrow was, where the money was held in escrow, and, of course the bank released it in the form of a check to our company. It was not a check of the Lightning Construction Company certified by the bank. It was a cashier's check. I don't remember
328 what bank. I had no personal contact with this job excepting approving the general transactions. I don't know who our agent contacted, or otherwise, excepting his reports to me.

Mr. Thompson: We object to the exhibit as a duplication of the witness' testimony and a duplication of other records already in evidence; in no way tending to prove income taxable to Mr. Johnson, or any attempt to evade income tax. Also object on the ground there is no proof by direct testimony that this expenditure was ever made on behalf of the Bon-Air Country Club.

We move to strike the testimony of the witness.

The Court: The motion is denied to strike the evidence of the witness, but I sustain the objection to the offer of the paper until there is some proof that the work was done on the premises of the Bon-Air Country Club.

R. C. deBETTENCOURT, called as a witness in behalf of the Government, having been first duly sworn, was examined and testified as follows:

Direct Examination by Mr. Miller.

My name is Ray C. deBettencourt. I live at 1447 North Dearborn. I am a designer of lighting fixtures. I am employed by the Walter G. Warren Company. They manufacture custom made special lighting fixtures.

Our company had something to do with installing the lighting fixtures at the Bon-Air Country Club in the year 1939. We designed various lighting fixtures for the club interior. They were manufactured and delivered to the Bon-Air Country Club.

The total charge was about \$1800. We were paid. The payments were made to me personally at Mr. Nadherny's office. He was the architect.

Cross-Examination by Mr. Thompson.

The architect's office was on West Roosevelt Road. 329 On one occasion the payment was made by check. The others were made by cash. I couldn't say if it was with Mr. Nadherny's personal check. I received the cash but the check was in an envelope which I gave to my firm. I remember about three occasions that he paid in cash. I went to the club on two occasions to look the job over, so that I could design something that would be consistent with the club. I talked with Mr. Nadherny about it and nobody else. Both trips were for the purpose of making designs.

I saw the material once after it was installed at the club. I did not talk with anybody then about it. I was with friends at the time. I was out there and I just dropped in to look at the complete installation and the finished job. I did not talk to anybody about it.

I sold the job. My conversations were with Mr. Nadherny only. He sent for me. I have done a lot of work for Mr. Nadherny on different occasions. He asked me if I would take care of this job.

I did not have any record of the amount that was paid on this job. I only remember about the total, in the neighborhood of about \$1800. We have records in our books at the office. I have nothing to do with the books. The book-keeper has charge of that. That was in 1939.

Mr. Thompson: We object to the testimony and move to strike it out on the ground it has no connection with the Defendant Johnson. It does not tend to prove any of the issues in this case.

The Court: Denied.

SAM GREENBERG, called as a witness on behalf of the Government, having been first duly sworn, was examined and testified as follows:

Direct Examination by Mr. Hurley.

My name is Sam Greenberg. I live at 307 South Bell Avenue, Chicago.

330 In 1938 I was employed at the Southland Club. I was out of work and I passed by the Morrison Hotel and the cab driver told me to see Mr. Johnson and I asked him for work. I seen Mr. Johnson. I just asked him how about going to work (indicating defendant Johnson). He told me to meet him at 63rd and Cottage Grove, the Southland Club. I met him I should judge about between ten and ten thirty in the evening.

I was introduced to Mr. Creighton by Mr. Johnson. Mr. Johnson did not say anything to Creighton. He just introduced me. Then I was talking to Mr. Creighton and he put me to work as a shill. I worked there until they closed up.

I worked at the Club Western until the 19th of September. I don't recall when I started work there. I worked at the Southland until the last nine days of 1938. I started there. I worked at the Club Western the early part of spring until September 1939. I was a shill at the Club

Western. I received five dollars a day, at both the Southland and the Club Western. It was paid in the evening in the form of cash. I worked from eight in the evening until three in the morning at the Southland and the same hours at the Club Western.

I see the man Creighton here that I met out at the Southland (indicating the defendant Creighton).

I don't know whether there ~~was~~ any transportation furnished between 63rd and Cottage Grove at the Southland and 9730 Western Avenue.

Cross-Examination by Mr. Thompson.

I worked at the Morrison Hotel for a good many years as a cab starter at the door for the Checker Cab Company. I knew Bill Johnson for a long time. Occasionally he used to come around the Morrison Hotel and I would see him around there when I was at the door starting cabs. I used to say Hello to him.

I got out of a job and I saw Mr. Johnson and I asked him if he knew where I could get some work. He told me to meet him out at 63rd and Cottage. He would talk to 331 Mr. Creighton and see if he could put me on. I went out there and met him and he introduced me to Mr. Creighton and told Mr. Creighton he would like to have him give me a job, and then I got a job and went to work there for Mr. Creighton. Mr. Creighton paid me. I went to work for Mr. Creighton until his place closed up at 63rd and Cottage.

Then I went to the Club Western and I worked there for Mr. Creighton until they closed that place up. Mr. Johnson never paid me anything. He did not discharge me from this job. He did not hire me. I was shilling for craps. That was the work I was doing all the time for Mr. Creighton.

CHARLES G. SCHULTZ, called as a witness on behalf of the Government, having been first duly sworn, was examined and testified as follows:

Direct Examination by Mr. Plunkett.

My name is Charles G. Schultz. I am a carpenter. I live at 6447 North Drake. My house is across the street with relation to the Dev-Lin. I had occasion to do some work at the Dev-Lin in the spring of 1935. I am familiar with the

inside of that establishment prior to the time that I worked there. It was a dance floor. There was a stage with decorations on the inside.

Q. Now, will you state the circumstances under which you went to work at that place in the spring of 1935?

Mr. Thompson: I object to that as too remote and as immaterial to any issue in this case.

The Court: Overruled.

The Witness: I was not working in the spring of 1935, so I saw they were doing some work in the yard there, and I went over and looked around and I saw and got acquainted with Roy Love. He asked me if I wanted to go to work and I said Yes. I worked at the place about six months.

Q. Can you state what was done to the establishment while you were working there? What was done to it?

332 Mr. Thompson: That is immaterial and no tendency to prove income of the defendant Johnson.

The Court: Overruled.

The Witness: We took down old fences and old concession stands and cleared the place outside of the building. I did not work inside the building. I saw gambling in the inside. I can't remember when I first saw gambling. I had been working there three or four weeks when I saw gambling.

Jack Sommers gave the orders as to what we were to do there. No one else. I saw the defendant, Ed Wait, around the premises while I was there. The only conversation I had with Mr. Wait was about a dog that killed some chickens. He came over and apologized to me and told me that he was Mr. Wait.

There was a boiler installed on the premises. I had one conversation with the defendant Wait when it was finished. He said it was too small.

Q. Now, you stated that Jack Sommers gave you orders. Can you tell what some of the orders were he gave you?

Mr. Thompson: I object to that as immaterial. All this detail has nothing to do with the issue of the case at bar.

The Court: Overruled.

The Witness: He showed us what to tear down, what to clear away and also told me to move a small building away from the front. Three of us worked putting up a fence around the premises. That was during the period of time I was talking about in the spring of '35. The gambling house was open and running at the time I put that fence up.

I saw William R. Johnson out around the premises there. I saw him walk around there one evening with Jack Sommers. They were looking at the building.

I put on some new varnished boards, painted them, and also painted the fence. Jack Sommers told me to do that paint work.

I saw the defendant Hartigan at the Dev-Lin at the 333 time I was testifying about. Some times I saw him outside and some times inside.

I stayed employed at the Dev-Lin when I was first working there about six months. It was the fall of 1935. When I finished my labor outside I did not do anything else there.

I did take care of the boiler. Jack Sommers told me to do that.

Q. What were your duties about taking care of the boiler, what were you supposed to do?

Mr. Thompson: Object to all this as immaterial. We are not trying a building case.

The Court: Overruled.

The Witness: I had to see that the fire kept going and keep the ashes out. I did not do anything else besides take care of the boiler. I did not shill at that time between the spring of '35 until November '35.

I stopped working at the Dev-Lin in November of 1935. The place was closed. They moved out.

I was out of work after the place closed for about a month or six weeks. Then I was called one evening to go to work at the House of Niles on Milwaukee Avenue. It had been a tavern. There was a bar there. There was no gambling equipment of any nature, just an ordinary road-house tavern. I went there that night and worked on a counter, tore it apart. I also worked on some doors and a platform outside about three days. There were three other men working there.

Roy Love was in charge of that place. He was there all the time. I saw the defendant Reggie Mackay while I was working there. He just talked to Roy Love. I did not put any equipment in.

I worked there three days and then Roy and the men that were there were taken to the Lincoln Tavern, three of us including myself. The Lincoln Tavern was like a tavern inside with a dance platform in the center. There was no
334 gambling equipment there, just another roadhouse.

When we got to the Lincoln Tavern we tore down a partition and tore out the dance platform and we put up a

partition for a bar room. We did not tear out anything else.

Mr. Thompson: We object to repeating all this immaterial testimony, wasting time.

The Court: Overruled.

The Witness: We also put in double doors at that time. There was a door put in leading to the big room through the vestibule and another door. We worked on this, actual labor fixing this place, about four weeks.

I saw Mr. Johnson, Mr. Wait and Mr. McGrath while I was in the course of work of repairing this place. They were in the room. It was littered with lumber and tools. They were looking around and talking to one another. Roy Love was with us. There was a conversation between them. They stayed perhaps an hour.

I have also seen Barney McGrath at the Dev-Lin. I don't know what he was doing there. I seen him come and go. After we had finished working on these premises at the Lincoln Tavern we went to Division and Dearborn. Before I went to Division and Dearborn I stayed at the premises taking care of the boiler. Roy Love told me to take care of the boiler. This was in the night time. It was for about two weeks. I did not take care of it in the daytime. I worked there in the daytime.

When I worked during the daytime Jack Sommers gave me orders. Roy Love gave me orders in the night time. No one else.

After this place had opened up Roy Love was working in the kitchen. He supervised in the kitchen. There was gambling going on when I saw him doing that. Food was being served. I saw the defendant Hartigan out there while I was working. He was talking to people. He did not give any orders. I always saw him there at night for 335 the two weeks that I was taking care of the boiler.

Sometimes my pay was sent down to me by one of the colored boys and sometimes Mr. Hartigan handed it to me himself. I got it from the cashier when I worked days. His name is Pete Riley. I have seen him at the Harlem Stables. He was cashier at the Harlem Stables when I saw him.

I saw Bill Kelly at the Lincoln Tavern. When I first saw him he was a box man.

I know the defendant John Flanagan. He was not out there.

I saw the defendant Johnson out there. I can't say the

exact number of times. I saw him on and off there for the two weeks that I worked nights. I saw Ed Wait out there. He was either talking to somebody or sometimes I saw him sitting on chairs. He did not hold any official job out there.

I left the Lincoln Tavern to go to the D. and D. on Division and Dearborn. Roy Love told me to do that. I went alone to the D. and D. I was sent down into the basement to tear out some old shelves. Roy Love sent me into the basement. There was no gambling equipment there. I tore out the shelves. We panelled part of the sides and built a partition across the back and some counters. That is all. One other person was working with me in the basement. This was in February of 1936 I think.

After we finished the basement we went to the second floor. It was a lodge hall with seats built all around the sides and the front end was partitioned off. There was a tank in there and something like mortar boxes. We tore out those partitions that were in the front, we tore out the tank and an old organ that was in there. Then we started to patch the floor. We laid new flooring. We changed some of the doors, and put openings in the walls. We made an opening on the south wall possibly six or seven feet. We put up two thirty-six inch blow fans in the rear of the place. The kind you have in a window to blow air out.

We remodeled the toilets.

336 Mr. Thompson: We object to all of this horrifying detail of revamping a building; immaterial to any issue in this case.

The Court: Overruled.

The Witness: I worked there until the fall, possibly four or five months. There was sometimes more or less than six men working with me.

Q. How much were you getting?

Mr. Thompson: We object to that as immaterial.

The Witness: Ray Love paid me,—\$5.00 I think.

The Court: Overruled.

The Witness: We next went to the Harlem Stables located on Harlem Avenue. The room that we worked in had been used as a tavern. There was no gambling equipment in there. It was not fixed up in any way for gambling. We went out there some time in the summer of 1936. Roy Love told me to go out there. I worked there under him. We put on a lean-to about seventy-five feet long, we laid a floor, and panelled the inside.

Q. What kind of panelling did you do on the inside?

Mr. Thompson: What has that got to do with it. We object as immaterial, whether it was plaster board or knotty pine.

Mr. Plunkett: If the Court please, these are capital expenditures I am bringing out here. I can't prove the exact amount, but we have a right to show—

The Court: Go ahead.

(Overruled.)

The Witness: Quarter inch panelling.

That is all that was done by myself and the others. I saw the place at night after it was finished. It looked like gambling and horse book equipment there.

I worked at the Harlem Stables under Roy Love about six weeks or two months.

We next worked out on Johnson's farm. Roy Love took us out there. We panelled the cow stables and hog house.

Q. What kind of panelling did you do in those?

337 Mr. Thompson: We object as immaterial.

The Witness: Quarter inch panelling.

The Court: Overruled.

The Witness: I worked at the Johnson Farm about three times. We built six brooder houses and on another occasion we put up chicken houses. We also shingled roofs on the horse stables and other stables. On all these occasions Roy Love was in charge. He paid me.

I saw Mr. Johnson, Mr. Hartigan and Reggie Mackay out there and Barney McGrath. That's all. I saw Jack Sommers out there and I saw the defendant Kelly there on different occasions. I built one house out at the Johnson Farm. It was a frame bungalow. I did all this work on the Johnson Farm in '37.

We next went back to the Harlem Stables. We panelled the other room. After the Harlem Stables we went to Flanagan's, 2200 something 22nd Place. Flanagan was there. Roy Love and Flanagan were there when I got there. No one else that I knew. We panelled the whole inside.

After we had finished that work we worked at School and Milwaukee Avenue. At the same time we were working at Flanagan's at night. Before we finished at Flanagan's we went to the building at School and Milwaukee Avenue and built some counters there. We saw Charlie Smetana at that building at School and Milwaukee Avenue. I had got acquainted with him from the Dev-Lin Inn the previous year when I worked there. Charlie Smetana was talking to

Roy Love when I was at School and Milwaukee. I was there about a week. We built some counters. They were different lengths, some twelve and some were fourteen, with a flat top. There was nothing in there. We did no work on the walls.

After we left School and Milwaukee and Flanagan's place we went to Clark and Howard. I don't know the number of the place. Roy Love told us to go up there. It had been a garage. The first time I came there I laid a floor.
338 There were about three or four carpenters working on the floor and I worked for about three or four hours and went home. I came back after the floor was finished. We built some toilets.

When I left 7515 Clark Street I went to the farm again. We built the chicken house. When we finished that we went to the Bon-Air Country Club. The first time I worked there was about three months. We put a building on to the one that was there, about 60 by 100. Roy Love was giving me orders at the Bon-Air and he paid me. Second time I worked at the Bon-Air was in 1939. I did carpenter work there, building forms for cement foundations, set joists and laid floors.

When I left the Bon-Air in June I didn't go back to work until about six weeks later when I shilled at Dev-Lin. I was working for Jack Sommers at the Dev-Lin. I saw Barney McGrath once or twice when I was shilling at the Dev-Lin. He just came there the last day.

Government's Exhibit O-19 for identification is a picture of the Dev-Lin, the place I have been testifying about. O-19-A for identification is the front of the Dev-Lin, the same place I have been testifying about.

Government's Exhibit O-2 for identification is the front of the D. and D. that I have been testifying about.

Government's Exhibit O-3 is the Harlem Stables that I have been testifying about.

Government's Exhibit O-4 for identification is the side of the Harlem Stables that I have been testifying about.

I was acquainted with the place known as the Casino. I done three nights work there for Roy Love. We opened up an entrance on the Milwaukee Avenue side.

Government's Exhibit O-6 for identification is the Casino on Irving Park Boulevard. That is the place where I worked.

Government's Exhibit O-7 is the Milwaukee Avenue side of the same Casino.

Government's Exhibit O-17 for identification is 339 Flanagan's place that I have been talking about.

Government's Exhibit O-18 for identification is the entrance to the Lincoln Tavern. That is the building I was working on.

Government's Exhibit O-18-A that is the Lincoln Tavern, the same building that I was working on.

I have done work at the Horse-Shoe. We took varnish off the woodwork. I was working under orders from Jack Sommers for about two weeks. I don't really remember the year. I saw Roy Love at the Horse-Shoe at the time I was there. He was giving me orders then. I never worked on the south side.

Government's Exhibit O-5 for identification is the place at Kedzie and Lawrence that I have been testifying about.

Mr. Plunkett: The Government will offer the exhibits that have just been shown the witness.

Mr. Callaghan: We object to those documents, if the Court please, as unnecessary and encumbering the record and entirely immaterial to the matter in issue here, some 19 pictures.

The Court: It is overruled.

Mr. Callaghan: We move to strike, if Your Honor please, all the testimony of this witness as being immaterial, and more particularly the testimony having to do with the year 1935 as being outside of the scope of this indictment or any charge in the bill of particulars.

The Court: Denied.

Cross-Examination by Mr. Hess.

My services to which I have testified commenced in 1935. I was a laborer. I was in business for myself before that time. When I began to work at the Dev-Lin in 1935 I was in the ice business. I was out of work about two years. I did not know Roy Love during this period. I did not know Jack Sommers. I first saw Roy Love after they opened up the Dev-Lin. It was in the early spring of '35 when I did the work for Roy Love at that place. I worked there 340 six months. I didn't ask Roy Love for a job. I gave him to understand that I was out of work. He asked me to come to work for him. During the two years I was out of work I had a little ice business left and I had worked planting trees in the Village of Lincolnwood.

I am a married man with a family, living at this Drake

Avenue address across the street from the Dev-Lin. I talked to Roy two or three times before he asked me to come to work for him. It was in that two or three times that I cultivated his acquaintance that resulted in my getting a job. I do not know the name of his company that he was operating under. When I worked for Roy I did not learn to know the name of the contracting company that was doing that business. All I know is that Roy Love was doing the work, he hired and paid me and the type of work I did was carpenter work. I had done other carpenter work. The work ended at the Dev-Lin and I continued work for Mr. Love.

I have heard of the Lightning Construction Company. I first heard of them when we worked at the Harlem Stables. That was later on.

When I left the Dev-Lin I went to work at the House of Niles in the fall of 1936. I did work for Mr. Love at a place other than the Dev-Lin in 1935. I worked at the House of Niles three days. That was in the fall, the last part of November or the first part of December. There were three of us, Kay and his son. I saw Mackay there. I did not tell that when the District Attorney asked whom I saw at the House of Niles.

I saw Mr. Kay there, of course. I was working with him. I saw his son. I did not see anybody else there whom I did not name when the District Attorney asked me, outside of Roy Love. I saw him there and on one night I saw Reggie Mackay; that is at the House of Niles. The House was not in operation when I was there, just an empty room. I did not see any other person coming and going other than I named in my direct examination. After we got 341 through at the House of Niles that did not end my services with Mr. Love. We went to the Lincoln Tavern. That was in 1935. It was after we were to the House of Niles. It was still in 1935, when we went to the Lincoln Tavern. It was before Christmas, possibly about six weeks. That took me into February 1936.

I did carpenter work and I worked a couple of weeks taking care of the boiler. I couldn't tell the exact date when operations began at the Lincoln Tavern. I was working for Jack Sommers there. Roy Love told me to go to the Lincoln Tavern. He was on the job while we were building. He gave me orders. The kind of work I did for Sommers was in the operation of the place. I was taking care of the

boiler for two weeks at night and when I did construction work at the Lincoln Tavern I did carpenter work.

It was a roadhouse on Dempster Street in Morton Grove when I first saw it. There was some carpenters started with us when we started there. We got a bunch of carpenters from Morton Grove. They were working with us. There were four or five in the bunch. I don't know their names.

I have not told you about the maintenance man that was working there at the place. His first name was Steve. I have told you all now.

I did carpenter work at the Lincoln Tavern and repaired the bank on the outside and put some plank around the bushes. I patched up windows, painted the front. All told, I worked about six weeks and I started with carpenter work, and I finished taking care of the boiler for two weeks.

I was working for Roy Love all the time.

342 The Dev-Lin was a picnic grove owned by Mr. Engler.

Before I commenced work there there was just one frame building in the center. I did only carpenter work at the Dev-Lin. I worked there six months. I always worked for Roy Love.

Hartigan gave me no orders at the Lincoln Tavern. I saw him there every night while I was taking care of the boiler. The place was in operation when I was handling the boiler. I saw a lot of people. I didn't know them.

I was paid every night when I was working on the boiler. The colored boy brought my envelope down to the boiler room once or twice. I don't remember going upstairs to get my envelope the other times but I do remember Mr. Hartigan calling me to the top of the stairs and he handed me my envelope.

I saw Pete Riley there as cashier when it was open another time. I saw tables in operation in the play room. I was in the gambling rooms three or four times during the two weeks I was handling the boiler and I saw Pete Riley in the day time when I was doing carpenter work in the Dev-Lin.

343 I did not see Mr. Riley in the gambling room at the Lincoln Tavern. During the time that I ran the boiler at night I cannot name any other persons that I saw in that room that I have not told you about.

At the end of the two weeks on the boiler I left for the D. and D. I was told by Roy Love to go to Division and

Dearborn for carpenter work. I went there alone and he increased the crew to Kay and his son.

Mr. Love hired me and paid me. That job at the D. and D. lasted from February until July. That was immediately after I left the Lincoln Tavern. I was not out of employment between the two jobs. I worked every day at the D. and D. Roy Love paid me once a week.

When the job was through Roy Love took us to the Harlem Stables. That would be in July 1936. I worked at the Harlem Stables about two months. The crew was myself, Kay and his son. There were three carpenters from Morton Grove working there. I don't know their names. I saw Mr. Weil there. He was not working in our crew. The place was not in operation when we were working. It was not when we left. The Harlem Stables had been an onion warehouse. There was a bar and dance floor and tables and chairs in there. We panelled the sides and laid a wood floor over the cement floor.

Mr. Love paid me for the work at the Harlem Stables. After that I went to work on the farm. Roy Love told me I was going to the farm. He paid me for working. I rode out in Roy Love's car until we got through with that particular job. It took about possibly six weeks. We panelled the hog house and the cow stable at the farm.

I think it was in '37 that I went to Clark and Howard. I didn't keep records of where I worked but all this work was being done during the time I worked with Mr. Love. I didn't hear about the Lightning Construction Company until the first time we were working at the Bon-Air.

We worked at the Harlem Stables twice. I don't remember how long we were away from the Harlem Stables before we came back. I don't remember whether it was the same time of the year that I worked there the
344 second time. We panelled the other rooms the second time. There were two rooms of the same size. The same crew did some more panelling for Mr. Love and he paid me. I do not remember the year that I went to School Street. It was after the second trip to the Harlem Stables.

I worked for Mr. Love in the Fall of '36. I don't remember if it was up to the holidays of '36. I worked rather steadily during the whole year of 1936 there at construction work. That was true of 1937 with some exceptions. I do not know when was the last time I worked for Mr. Love in '37. I worked for him in '38 and in '39. It was at the Bon-Air in '38. This was construction work. Mr. Love

asked me to go there. He paid me. That is true in 1939. I do not remember rendering any other services as carpenter or painter or craftsman for any other person than Roy Love during the years '36, '37, '38, '39. The only man I worked for in that line of work was Mr. Love. I did not work in any other place for Mr. Love than those three I have now told you. These are the only ones.

The last time I told anyone connected with the Government the facts as I have related them on my direct examination was the 27th of August. That was not the first time I talked to anyone. I don't remember the date.

It was this summer I saw that gentleman over there (indicating Mr. Stains) in his office in this building. I answered the questions he asked me. The questions were written down. He was writing the answers. I saw these questions and answers the same day. I was questioned again by Mr. Plunkett. That was before I took the witness stand. I have seen this written statement of questions and answers. It was written with pen and ink. I read it. The questions were printed on there. The answers were in pen and ink. I signed it. After that I did not see that statement. I did not see it before I took the witness stand. No

one told me what was in it. I was subpoenaed to see
345 Mr. Stains. It was like a postal card. I don't know if that subpoenaed me to come before the grand jury. I got a letter to come down. When I got down in answer to the letter I was given a subpoena to come to this trial. I did not testify before the grand jury. I was interviewed once or twice by government officials respecting my testimony in this case. My conversation with Mr. Plunkett was within the last day or so. He did not show me my statement. He did not tell me what was in it. He asked me questions. They were the same questions Mr. Stains asked. He was not reading from anything. He was asking these questions right out of his mind. They were the same questions Mr. Stains asked.

I saw Mr. Sommers at the Horse-Shoe. I was told to go there by Roy Love. There was a crew there. I was paid by Mr. Love. Mr. Love gave me the order. Mr. Sommers did not give us any orders as to how to do our work on that occasion.

The D. and D. Club is located within the premises on the picture Exhibit O-2, a little lodge hall on the second floor. These other places are stores and other businesses and flats.

I also identified Exhibit O-6. I did no work on the second floor. I did not do any work where it says "Public Service Optical Company".

3971 is the entrance to the Casino. I did not do any work at 1940, where it has "Car License—One Day Service". There is a large room inside.

I also identified Exhibit O-7. This is the Milwaukee Avenue side of the Casino. I don't remember the number on Milwaukee Avenue. I did not do work in that whole building that is in this picture, just this entrance here that is marked. I did no work where it says "Checks Cashed, Money Orders". I did no work where it says "Budget Planning". None of these cars here belong to me.

I did work on the second floor of these premises, Exhibit O-3.

346 I identified Exhibit O-5 as the premises known to us as Kedzie and Lawrence. I did some work in that building on the second floor. I am pointing to four windows from the left. That is all on the second floor. I did some work in the restaurant on the first floor. I had nothing to do with this Rose Bowl and Cleaners and all this other part of the first floor. The place where I took the varnish off on the second floor was just a hall. There was a stairway that led upstairs off the door of the restaurant.

Redirect Examination by Mr. Plunkett.

We panelled the restaurant, indicating the store here with the Venetian blinds.

Q. You were asked this morning when you first heard of the Lightning Construction Company. Do you recall that?

A. I recall it at the Bon-Air. I thought it was a joke. Mr. Hess: Move to strike, he thought it was a joke. The Court: It may stand.

The Witness: I had occasion to visit the D. and D. premises after it was finished. I was sent with a painter to wash the walls. There was furniture in there. I saw steel leather chairs and crap tables and roulette wheels. The roulette wheels were in separate rooms. There was a lounge on the second floor. I saw steel upholstery, leather chairs, a couch and a concession counter. There were carpets on the floor. There was a wardrobe and

there was a room a way back. They used it as a wardrobe and stockroom, and scrub pails and mops. I don't recall that there were any curtains on the windows. I should judge that the entire second floor was about 100 by 50. I named certain individuals in my testimony this morning. I can point them out. (Indicating the defendants Hartigan, Flanagan, Wait, Kelly, Mackay, Sommers and Johnson.)

JAMES BONFIELD, called as a witness on behalf
347 of the Government, having been first duly sworn,
was examined and testified as follows:

Direct Examination by Mr. Hurley.

My name is James Bonfield. I live at 2128 South Ridgeway. I worked at 3948 School Street. I was a board man. A board man is a man that carries the boards from one end of the room to the other and puts the line on it. The line that lines the approximate odds of a horse. Bring them from one end of the room to the other and bring them in front of the stand where they are put on the side while the horses are running.

I couldn't say exactly what year it was I went to 3948 School Street, but for the man that I was working for, I had been there for several years, and we moved from one spot to another into this 3948.

My boss was Thomas Hartigan. We moved from 3332 Milwaukee Avenue. We were at 3332 Milwaukee Avenue about two or possibly three years. That place was known as the Crawford Club. From that address we went to 3948 School Street. The name at that address was the Crawford Club. I imagine we were at School Street possibly two or three years. I did the same type of work in both places. We had not moved to any other place after we were at 3948 School Street.

I worked at Harlem Stables approximately six or eight weeks after 3948 School Street. That was about 1938. I was parking cars in the backyard. My boss, Thomas Hartigan, told us to go out there. There was quite a few of the lads that worked with me that went out there. When I went to the Harlem Stables I was spotting cars. I seen the lads that worked with me. Our doorman told

me to go back in the backyard and park the cars back there.

I know a man named Charles Smetana. I used to work for him at the Crawford Club. He was the owner of the place, or the boss. I seen him at 3244 North Crawford. I worked there underneath Charles Smetana. I did not see any of these men that I see around the tables here at any of these places I worked, Crawford Club or 348 Harlem Stables.

Mr. Thompson: Move to strike the testimony of the witness; in no way connected with any of these defendants; immaterial to any issue in this case.

Mr. Hurley: All the places about which this man has testified have been shown here by evidence already in the record.

The Court: Motion denied.

DANIEL HOWARD CUSACK, called as a witness on behalf of the Government, having been first duly sworn, was examined and testified as follows:

Direct Examination by Mr. Hurley.

My name is Daniel Howard Cusack. I live at 6301 West 32nd Street, Berwyn. I worked at a place known as the Crawford Club at 3948 School Street off and on for four or five years. I was cashier and sheet writer. The last time I was writing sheets I took the wagers as they came in. I would write it down on a sheet and hand the man a ticket and take his money. There was a duplicate copy. After I had written that on a sheet and taken the money I would eventually turn the sheet and the money over to the man in charge. I worked as a cashier on School Street and Milwaukee Avenue. I paid out the winning wagers. Anything that was to be paid out I paid out. There was an "out" column and I put the amount on the out column, the amount of the wager. I would make an entry on the out column as soon as the party came up to collect the ticket. I put down the amount of money I paid out. I would place the amount of the wager and the out on the sheet. I did not keep any record of what was taken in.

There were four cashiers working there at the time I

described. There was one man considered the head cashier. I did not at any time act as the head cashier.

While I was acting as cashier I would get certain 349 sheets that you would have made when you were sheet writer, from the sheet writer. The sheet was brought over to me with the amount on the sheet and I totaled it up and put the amount on top of the sheet. At the end of the day we would balance up and total these sheets that I received from the sheet writer and turn them over to the head man. We had a clip on them, we kept them together.

I worked at School Street until October '39. I did not work there previously. I only had five or six months there.

Tom Hartigan was my superior when I was working at the Crawford Club.

I know William R. Johnson. I see him in the court room (indicating the defendant William R. Johnson). I did not ever talk to Johnson at any time when I was working at the Crawford Club. I talked with him before, I imagine '34, '35. That conversation took place at 4020 Ogden Avenue. I imagine it was a gambling institution. I asked him if he could use me as a sheet writer or cashier and he told me to see him later. I did several times, at the same place. I lived in the neighborhood at the time.

After the first time I saw him, and I saw him again, I did have a talk with him. He told me there was nothing open at present but as soon as something presented itself he would send me over there. I did not see him after that. I did not have any talks with him after that. I was out of work when I went to see Johnson at 4020 Ogden Avenue.

I saw him at the Crawford Club on one occasion. He just strolled in the same as anybody else and strolled out again. I did not see him talk to anybody. I did not work at any other place after I worked at the Crawford Club. I did work at the Stables, indirectly. I have a car and I took customers from the Crawford Club to the Stables. I believe it was some time in July '39 when I started doing that. Mr. Tom Hartigan appointed me to that job. I didn't have a talk with him about working.

After the Crawford place was closed he asked me if I 350 had a car and I said Yes; so he said. "Well, you know our customers, so you can drive them out there from the Crawford Club." I would stay parked at the corner

until the starter would send me away. Then I would take the customers to the Stables. My hours were from eleven thirty in the morning until seven that night. I was paid seven dollars a day for that.

Mr. Thompson: I move to strike the testimony of the witness; immaterial; tending in no way to prove taxable income of the defendant Johnson, or any attempt to evade taxable income.

The Court: Denied.

CLARENCE BELLAMY, called as a witness in behalf of the Government, having been first duly sworn, was examined and testified as follows:

Direct Examination by Mr. Plunkett.

My name is Clarence Bellamy. I live at Cedar Lake, Indiana.

I was employed in a gambling house in Chicago last summer and spring up until September of '39. I started the first of the same year. I just walked up to the Club Southland and asked for a job. I talked to a fellow by the name of Johnnie.

I have seen the defendant Andrew J. Creighton several times. I don't know offhand how many. I never had a talk with him more than to say Hello.

I did not see Creighton to get my employment. I didn't see him to get the job. I talked to him after that to say Hello. The fellow by the name of Johnnie told me to go to work. He was working there, too. I don't know just what he was. He was upstairs.

I was driving there from 63rd to 97th. I drove from the D. and D. Club at Division and Dearborn to the Harlem Stables at Irving and Harlem. I had a note 351 in my pay check to go over to the D. and D. Club and get a job, report there the next night. I went there the next night and went to work. I just handed my note to the fellow who stoppped me there. I didn't go upstairs at all. I drove approximately three months between Division and Dearborn Club and the Harlem Stables.

I got my pay at the Stables at the time I drove between Division and Dearborn and the Harlem Stables.

After I had finished my work driving between Division

and Dearborn and Harlem Stables, I worked at the Club Southland again. I was told to go there the same as I was before, just a note in my pay envelope telling me to go back there again.

I have seen Mr. Kelly before and said Hello to him. He bawled me out once for being late.

Cross-Examination by Mr. Thompson.

I have my own car. I first got my job at the Southland Club in January 1939. My job was as a driver. The Southland Club was then operating. They had been for about a month or so at that time. The first time I worked upstairs, just shilled at the card table and crap table. I worked as a shill over a month. I worked at that time about every night. I didn't work so steady at the time there. I had a broken hand, the right one. I had to throw the dice with my left hand. The same people did not play night after night at the crap table, different customers. One or two repeat customers that I know of. I did not mean that I knew them personally. I mean that I have seen the person more than once, maybe twice. I recognized persons' faces. I didn't introduce myself around the crap table. When anybody wanted to shoot craps they just walked up to the table and put down their money and shoot.

After I worked at the crap tables I went back to driving. I had done driving before that. I worked at the Harlem Stables before that. I worked at the Harlem Stables before I worked at the Southland. Driving from

Dearborn and Division to the Harlem Stables. That 352 is the first job I had. That was in the beginning of

'39. I did not drive between Dearborn and Division and the Harlem Stables at the beginning of '39 and also shoot craps at the Southland Club at the same time. I worked at the Southland Club, then went to the Stables, then back to the Southland.

The first time I ever worked at the Southland was in '38 or '37. That was the first time. That was only about two weeks at the most. That was in about the last part of '37. I was driving from 63rd and Cottage Grove to 119th and Vincennes. There was a little club down there. That one operated when the 63rd and Cottage Grove was closed up. When the 63rd and Cottage Grove

closed I stationed myself there at that club and took the customers that wanted to play down to 119th and Vincennes Club. I believe that was in 1937. I don't know the date. Approximately around December. I didn't work over two weeks at that employment. That was my first employment in connection with one of these gambling clubs. I had been a roofer after that.

I had another job at one of these clubs the first of 1939. That was driving. I went back to the Southland in January 1939. The first job I got was shilling. I worked at that job about a month. Then I was driving from the D. and D. to Harlem. I don't know that either one—whether both closed or not, but I was just going out to the Stables. I don't know if the D. and D. was open or closed. All I know is I would pull up to the D. and D. during that period and drive out to Harlem. Then I turned around and went back and stationed myself at the D. and D. and waited to see what happened. I did not get passengers every night.

I worked at that job about three months. We are talking about 1939.

The next job was driving at the Southland between 63rd and Cottage Grove and 9730 Western. I was driving from the Southland at 63rd and Cottage Grove to the 353 Western Club at 97th and Western. I believe it is slightly out in the country. The Southland was closed. Then I took customers that reported there out to the Western Club. That operation lasted until September. Then they all closed and I have not worked at a gambling establishment since.

I have been doing roofing since last September. I work for a number of firms. I am working now for Kedmont.

I have talked to some of the agents in the building. This matter was first discussed with me about April 1940. I just had a short talk. I don't know their names offhand. I do see some of them around here, this fellow here (indicating).

I was called in. They served a warrant on me. I don't know who served it. That was the first thing I heard of this whole business, when they served a warrant on me. I understand it to be a subpoena to come down here and talk to somebody. They did not bring me down. They told me to come down here. They gave a certain date to be down here by. I came on the date I was told to. It

was a letter signed, I believe, by Mr. Campbell, United States attorney. I reported to Room 450. I saw this gentleman there. I couldn't tell offhand at first which one it was. I talked to them. Two of them were present.

After I talked a while they told me to come back again, they would send me a letter. They took a written statement from me at that time. They had a list of questions to ask me and I gave the answers and then these answers were written down as I gave them.

When I received the next letter I was told to come down. I believe that was about a month ago. I believe it was about the first of August. I came into the office. A couple of different men talked to me. They took a written statement again. They checked the previous record. They had the old statement in front of them and asked me questions.

I believe they were checking my new answers with 354 the old ones. I came down again August 31st. I was to be down here on the 27th and they changed it to the 31st. I didn't talk to anybody on the 31st, just sat around that day. They told me they would send me a letter when I should come back again. I didn't talk to anybody on that day. They kept me waiting two or three hours.

Then I got another letter. That was to come down the fourth of September. I didn't talk to anybody, just sat around. They told me to come back the next day. I didn't stay here all day. I was here for approximately three hours.

Then I came back the 5th. I did not talk to anybody other than to just report that I was here. I have not talked to anybody since then, just to report that I was here. That is all the conversation I had prior to going on the witness stand. I have testified here to all that was discussed with me during those interviews.

CLARENCE CARGETT, called as a witness in behalf of the Government, having been first duly sworn, was examined and testified as follows:

Direct Examination by Mr. Plunkett.

My name is Clarence Cargett. I live at 3211 Altgeld Street. I am acquainted with an establishment known as the Mayfair Club that is located at Elston and Lawrence. I think the exact street address is 4873 Elston. I

was employed there March 1939. Mr. Antone Moody employed me. I was a board man. The duties of a board man are to mark up odds, put on the jockeys and the scratches. This was a race horse book that I was employed in.

There was a time after I was employed there that the place didn't open. We drove customers from the Mayfair Club out to the Stables. I did that on the orders of Mr. Moody. I don't quite remember the time. I think some time in May or June. I drove customers from the 355 Mayfair Club to the Stables about three or four weeks. I don't know where Mr. Moody was at the time. After three or four weeks of driving I was told by the yard man to go back to the Mayfair Club the next morning. I went back. It was open. I went back to work as a board man. I worked there until last September when they closed again.

ADOLPH BINGEN, called as a witness in behalf of the Government, having been first duly sworn, was examined and testified as follows:

Direct Examination by Mr. Hurley.

My name is Adolph Bingen. I live at 64 West Schiller. I worked at the Lincoln Tavern in the spring of '36. I met a benleman by the name of Boone Kelly in Miami, Florida. He asked me whether I was working. I told him No. He says, "I will give you a card to Mr. Hartigan, for you to go out to the Lincoln Tavern and ask for a job". I went out to the Lincoln Tavern in the spring of '36. I saw that Hartigan here in the court room that I saw at Lincoln Tavern (indicating defendant Hartigan). When I was at the Lincoln Tavern I saw Hartigan, I talked to him at that time. I asked for a job. I told him Boone Kelly sent me to him and asked if he had a job for me. He asked me, "Do you know anything about this line of business?" I says, "Yes". "Well," he says, "You can go to work at eight o'clock, tonight. I was shilling that night. I worked on roulette, dice and black jack.

I worked at the Lincoln Tavern until the fall of '36. From there I went to Tessville. We called it Tessville. There is another name, Dev-Lin. I did the same thing at the Dev-Lin, shilling at all the games there. I came to the Lincoln Tavern. It was closed. I heard they were open

at Tessville and I went over there. I saw Mr. Barney
356 McGrath there. No one else was there at the time
besides Barney McGrath. I didn't work there very
long, about three months, I guess. All of that time as a
shill. I didn't see anybody else there that I knew in
particular besides Barney McGrath.

After working for about three months at the Dev-Lin
I worked at the Horse-Shoe at Kedzie and Lawrence. It
was a gambling place on the second floor, a little lunch-
room right below.

I came out to the Dev-Lin. It was closed, so I went to
the Horse-Shoe. I went to see Jack Sommers at the Horse-
Shoe. I see that man here in the court room. I talked to
him about a job. I told him I knew the game they worked
there. I asked him for a job. He did not say anything
to me in particular when I told him I knew the game. I
had not know Sommers before that. I went to work
after I talked to him, the same kind of work, shilling at
the games I have enumerated. I didn't work there very
long.

I went from there to the D. and D. whenever they
opened up. I have forgotten when that was.

I worked at the Horse-Shoe about a month and when
I left the Horse-Shoe I went to work at the D. and D. I
heard that the D. and D. was going to open up. I went
down there. I heard the boys I was working with say,
"The big place is going to open up."

I went to see Mr. Kelly. I see him here in the court. I
talked to him when I went over there. I asked him for a
job. He said, "Yes, I need some boys. You can go to
work tonight". I was getting \$4.00 a night when I was
working as a shill. I was paid every night in cash.

I worked at the D. and D. about seven months. The
D. and D. closed for a while, and from there I went back
to the Horse-Shoe. I came to work one night at the D.
and D. The place was closed. One of the boys had a
machine. He said, "Come on. We will go out to the
357 Horse-Shoe. I think they are open." I went with
them to the Horse-Shoe and I went to work there.
I talked to Mr. Sommers. I asked him for a job. He
put me to work as a shill. I forget just how long I was
there the second time.

I was sent from there out to the Harlem Club. One of
the boys, a runner on the floor, said, "You go to the Har-
lem Club. They want some men out there tomorrow".

He said, "I got too many men here". That was in the evening when I went to work at the Horse-Shoe.

I was sent over to the Harlem Club, that is, the Harlem Stables. I saw Mr. Pete Riley over there. I asked him for a job, if he needed a man. They told me to go over there and look for a job. I talked to Riley. After I talked to him he put me to work, the same type of work. I worked nights at that time.

I did not see anybody else there besides Pete Riley. I did not see any of the men that I had seen at these other places I had worked for.

I do not know William R. Johnson. I have not seen him that I know of. I seen a picture in the newspaper.

THOMAS CANFIELD, called as a witness on behalf of the Government, having been first duly sworn, was examined and testified as follows:

Direct Examination by Mr. Plunkett.

My name is Thomas Canfield. I live at 3439 West 21st Street. I have lived there since 1933.

In 1934 I went to work for Mr. Flanagan, the 4020 Club, 4020 Ogden Avenue. I worked there about three or four months as a shill. In '36 I went back and asked Flanagan for a job. He put me to work.

After I left Flanagan in '34 I worked for myself, in 358 '35. They were digging a water tunnel. I was getting rid of the dirt.

In 1936 I went back to Flanagan again as a shill at 4020 Ogden Avenue. I worked as a shill about three months, then Flanagan sent me to the office—I don't know the address, on Crawford Avenue. It is in the vicinity of 2135 Crawford Avenue. It was in a two-story building, on the second floor. There was a jewelry store on the first floor. It was a regular apartment.

I saw some fellow on the second floor by the name of Andy. I don't know his last name. The room was a regular living room. I told him Flanagan sent me over there. He said, "Go to work". I figured bets. I have a sheet of bets entered in that sheet. I figure the winning bets. The sheets had a rubber band around them when I got them. They were not rolled up. The rubber band was just flat around it. Andy would give me those sheets. After I got them I figured the bets on the sheets. You

figure a bet by figuring out how much it should pay. That is all, multiply. I figured off the carbon sheet. I had another sheet there. It was an original, I imagine. I mean that I figure out each bet that was written on these sheets to determine how much, who won or who lost. I compared my results when I finished with an adding machine tape. The adding machine tape was handed me with the sheet. It was part of the same package rolled up with a rubber band. The time to figure one of these sheets depends on how much work there was, how many bets you had to figure.

I went to work at eight o'clock in the evening and worked as late as twelve and one o'clock. I worked on from 100 to 100½ sheets in a night. I worked on maybe six different packages with the rubber band around it.

There were three other persons employed up there at the time I was there. Some nights there would be six. 359 Andy was in charge of the room up there. I never paid no attention to the apartment that I worked in. I saw four or five telephones up in the apartment. There was a keyboard there. I did not pay no attention to see if there was a microphone there.

I worked at that place about three months. I was laid off by Andy. He is a short stocky fellow, around fifty. He weighed about 140 to 150 pounds.

When I left the place that I just described where I was working I went back and asked Flanagan for a job. He gave me one as a shill. I stayed there about '37 and I went in as a cashier. I got laid off.

Getting back to the place where I was working on the second floor in the apartment, after I figured up these sheets, I gave the results of the figuring to Andy. I did not hear anything more of them.

I do not know Joe Conroy.

After I left the 4020 Ogden Avenue I went to the D. and D. That is the club at Division and Dearborn. I worked for Bill Kelly there as a cashier in a book, races. I worked for Kelly at the D. and D. several months, I just couldn't tell you how long, off and on. I did not work steady there.

I left the D. and D. Club around November '37. I was looking for work until March. I went to work for Charles Smetana in March '38, located at 7515 Clark Street. That was a hand book up there. Charles Smetana was the boss. I was employed as a cashier. I worked there until last October. I did not work steadily at that place. I went

up there for several days before I got a job. Then I worked until they closed.

They opened up again and I was laid off. I went to work again. They opened up in December of '38. Then I went to work in January of '39. I worked steadily from January on until June of 1939. After that they closed.

360 I know Bill Kelly (indicating the defendant Kelly).

He was never at 7515 Clark Street while I was employed there. After I worked in this apartment I have described on Crawford Avenue I was a sheet writer a couple of days there for Flanagan. The sheets I wrote in the book looked like the sheets I had been working on in that apartment.

The purpose of a cashier in a book is to pay off the winning bets. When the ticket comes out I pay it off—that's all. I do not have occasion as cashier to make out a tape. All I know is the place where I was employed on the second floor apartment over the jewelry store was an office.

Cross-Examination by Mr. Thompson.

I don't know who this is. (Witness examines Exhibit O-125.) I seen a fellow like him. I don't know him.

WILLIS MILTON ALGUIRE, called as a witness in behalf of the Government, having been first duly sworn, was examined and testified as follows:

Direct Examination by Mr. Miller.

My name is Willis Milton Alguire. I live at 7851 Coles Avenue. I am a salesman for the Globe Hoist Company. I have been with them since May 1st, 1939. Prior to that time I was employed by the Amco Corporation, a salesman.

I made a sale to the Lightning Construction Company for some equipment to be installed at the Bon-Air Country Club, in the year 1939. The first contact made in that transaction was with Mr. Nadherny. The agreement was that on signing a contract we were to put money in escrow to be turned over to the Amco Corporation on delivery of the equipment at the site where it was to be installed. The equipment was six hydraulic cylinders and a 15-horse power motor driving pump and some steel structure.

351 That equipment was for elevating the dance floor in the dining room. I supervised the installation of that equipment in the dining room of the Bon-Air Country Club.

The cost of that equipment was \$4281.00. I was paid. On delivery of the equipment, Mr. Nadherny and I got the \$1000.00 out of escrow. On completion of installation I was paid \$2500.00 and the balance I was paid in thirty days after the work was completed. The \$2500.00 was paid to me in the office of the Bon-Air Country Club about May 20, 1939. The balance was paid at the same place thirty days later in the office of the Bon-Air Country Club by Bud Geary. The \$1000.00 was given to me in check and the other was paid in currency.

Mr. Miller: I would like leave, if Your Honor please, to again offer Government's Exhibit E-81.

The Court: It may be received.

(Said instrument, so offered and received in evidence, was thereupon marked GOVERNMENT'S EXHIBIT 81.)

RAYMOND J. HUFFMAN, called as a witness in behalf of the Government, having been first duly sworn, was examined and testified as follows:

Direct Examination by Mr. Miller.

My name is Raymond J. Huffman. I am assistant Treasurer for the Scully Steel Products Company. I have been in that position about eight or ten years.

We furnished the material to an architect by the name of Nadherny for the Bon-Air County Club. The material was delivered to the Bon-Air Country Club and the cost was about \$1300.00. We were paid, I think it was along in February 1939. I don't know who paid it. The check came through the mail. I don't recall whose check it was. I have no recollection as to who made the check. I couldn't say if it was the check of the Lightning Construction Company.

I know what Government's Exhibit E-95 for identification is. That is the original ledger sheet covering this account with Joseph Nadherny. That record is kept under my supervision and control. The entries thereon are made in the usual and ordinary course of our business. That

record reflects the transactions recorded thereon on or about the time they occurred.

Mr. Miller: I will offer in evidence at this time Government's Exhibit E-95.

Mr. Thompson: We object to the document as immaterial and as in no way connected with these defendants.

The Court: Overruled.

(Said instrument, so offered and received in evidence, was thereupon marked GOVERNMENT'S EXHIBIT E-95.)

SANFORD K. HUSTON, called as a witness on behalf of the Government, having been first duly sworn, was examined and testified as follows:

Direct Examination by Mr. Miller.

My name is Sanford K. Huston. I live at 1164 East 54th Place. I build roof trusses. I am the sole owner of the Summerbell Truss Company.

I did have occasion to do some work in 1939 at the Bon-Air Country Club at Wheeling, Illinois. I dealt in that connection with Mr. Nadherny, the architect. We furnished some special trusses up there. We installed them. It was in the south wing, I believe. Our contract was \$1332.00. I was paid. I don't remember the exact date but I believe that we received a check from the Lightning Construction Company for the amount of our contract. Roy M. Love signed the check.

Government's Exhibit E-100 for identification, consisting of two sheets, four pages, are sheets out of our contract register. There is an entry here which is a record of our contract with the Lightning Construction Company for work to be executed at the Bon-Air. That is the contract to which I have just testified that we performed. That entry is line 8 on that record. It appears under March 31, 1939. That exhibit is part of the permanent records of our company. It was kept under my supervision and control. The entries thereon are made in the usual course of our business. The transactions on that record occurred at or about the time the entry was made. This is a condensed record of the entire transaction. The completion date is over here. (Indicating.)

Mr. Miller: At this time I would like to offer in evi-

dence Government's Exhibit E-100 as to the entry that witness has described covering the Bon-Air Country Club, Wheeling, Illinois:

Mr. Thompson: Well, if the Court please, we object to putting in this whole exhibit here. The witness has already testified to the only matters that are material, if anything is material, and it is confusing to have all the rest of this matter in the record, duplication of the testimony that is already in, can't possibly add anything to the witness' testimony. In addition to that objection there is our usual objection that it doesn't tend to prove any of the issues in this case. After all we ought to have some limit to the amount of material that is just piled in here as duplication.

Mr. Miller: It is offered only as to the one item.

The Court: Let me see it.

Mr. Miller: Can't very well take it out. (Handing document to the Court.)

364 The Court: You refer to this one item under date of March 31, 1939, Mr. Huston?

The Witness: Yes, sir.

The Court: That item may be received.

(Said instrument so offered and received in evidence, was therefore marked GOVERNMENT'S EXHIBIT E-100.)

RICHARD LEICHSENRING, called as a witness on behalf of the Government, having been first duly sworn, was examined and testified as follows:

Direct Examination by Mr. Miller.

My name is Richard Leichsenring. My business is manufacturing art marble. The name of our company is Master-Craft Art Marble Company. I am president of the company.

During the year 1939 we did sell products to the Bon-Air Country Club at Wheeling, Illinois. Our dealings were with Architect Nadherny. We sold marble showers, partitions for toilets, washrooms, to the Bon-Air Country Club. That material was delivered out at the Bon-Air Country Club in Wheeling, Illinois. Furnished and installed I believe we charged \$5614.00 for that material. We were paid, I believe, on three occasions, in May and in June, by Bud as Nadherny called him. Bud Geary sounds like it. The payment was all in cash. I received that in 1939.

JOHN HARVEY, called as a witness in behalf of the Government, having been first duly sworn, was examined and testified as follows:

Direct Examination by Mr. Plunkett.

My name is John Harvey. I live at 33 South Sacramento Boulevard. I am acquainted with the location out in Tessville known at the Dev-Lin. I first became acquainted with it in 1938, about in May. I was out towards Evanston looking for some work and I was with a friend of mine and he said to stop in to make a bet in a book. I made a bet there. I was not working at the time.

I afterwards went to work there. Jimmie Hartigan put me to work. I saw one man that I know there, Jack Sommers. I worked there. I got that job off of Jimmie. I asked him on a Saturday and he told me to come back Monday and I came back Monday about seven o'clock that night. He told me he had made arrangements for me to go to work there on Thursday, Friday, Saturday and Sunday, so I worked there about five weeks, and in the meantime I met a fellow by the name of Jim Gleason who told me was opening up a place at 4011 Monticello and I told him I worked four days a week and he said, "Well, I will take you over there with me and I will put you to work."

I worked at 4011 Monticello. I was an outside man. If anybody wanted to know where the book is I told him. Just stood out on the outside. That is about all I done there. I was instructed not to ask anybody to come in but if anybody asked me to tell them where the book was.

I was driving an automobile. I was standing around there at 4011 Monticello and this man Gleason told me I could haul people over to Harlem Stables if I wanted to, from 4011 Monticello to the Harlem Stables.

During the time I was working there I never saw Gleason, although I worked on his orders. I took orders from a fellow named Harry. After that I only seen Gleason about two times. He was going home when I saw him. He didn't give me any other orders when I was hauling people from 4011 Monticello to the Harlem Stables. I couldn't give you the exact date that I stopped working at 4011. I can't give you the accurate date that I worked driving 366 people to the Harlem Stables. I stopped work somewhere in the latter part of October last year.

Mr. Thompson: I move to strike the testimony of the witness; in no way tending to prove any taxable income of the defendant Johnson, or any attempt to evade taxable income.

The Court: Denied.

GEORGE ARNDT, called as a witness in behalf of the Government, having been first duly sworn, was examined and testified as follows:

Direct Examination by Mr. Hurley.

My name is George Arndt. I live at 5718 Kimbark Avenue. I started working at a place known as the Southland Club in the fall of '35. I applied for the job. I talked to Mr. Creighton about it. I see him in the court room (indicating defendant Creighton).

I was shilling at all the games, craps, roulette, and black jack. I worked at the Southland as a shill from '35 on as long as it was open. It was open part of the time every year since '35. I didn't keep track.

I worked at the Club Western in '39 for four or four months. I was sent there by my immediate boss. At that time it was Jake Thornblatt. I shilled at the Club Western, an extra dealer in a poker game. The address was 9730 Western Avenue.

I never met William R. Johnson. I have seen him from the the papers. I never saw him before that. I never went to any school with reference to my work.

Mr. Thompson: We move to strike the testimony of the witness; in no way tending to prove taxable income of William R. Johnson, or any attempt to evade the payment of taxes.

367 The Court: Denied.

Mr. Hurley: At this time, if the Court please, I would like to read to the jury, Government's Exhibit E-14, which is admitted in evidence.

Mr. Thompson: We object. The details of the contract can't possibly have any value in proving the amount of income of Mr. Johnson, or whether he was evading it; immaterial; just taking up time.

The Court: Denied.

(Hereupon counsel read several pages from Exhibit E-14.)

Mr. Hurley: If the Court please, the other day I was reading certain exhibits which had been admitted, which are returns of the defendant Johnson. I would like to continue with them now, reading from Exhibit R-9.

Hr. Hurley: Reading from Government's Exhibit R-9, being the individual income tax return for the calendar year 1935 of William R. Johnson, 4224 North Hazel Avenue, Chicago.

The items under "Income," line 2, "Net profits or loss from business or profession," \$44,315.70.

368 Rents, \$10,377.63;

And other items, making a total net income of \$58,000.83, with deductions in the amount of \$121.95, leaving a net income of \$57,878.88.

In the computation, the tax under the heading of "Computation of Tax," shows the amount of tax to be \$11,029.73. Schedule attached dated December 31, 1935, schedule of rental income and expense, Lincoln Park Building, total receipts \$34,061.45; expense in the amount of \$29,126.71, or a balance of \$4,934.71.

Mr. Plunkett: Government's Exhibit R-10 being an individual income tax return for the calendar year of 1936 of William R. Johnson, 4224 North Hazel Avenue.

Under the heading "Income Net Profit (or loss) from business or profession alone \$145,165.70."

Interest on bond deposit, notes, and so forth, \$2,101.85.

Rents, and royalties, \$16,189.03, or a total income in Items 1 to 11 of \$163,466.58, with deductions amounting to \$1,573.84, or a net income (Item 12 minus Item 19) \$161,892.74.

The computation of the tax shows a tax on \$71,915.35.

The Lincoln Park Building, from January 1 to January 31, 1936, the total receipts, \$38,339.29, with expenses of \$27,449.35, or a net rental income of \$10,889.94.

The schedule of depreciation on the Lincoln Park 369 Building showing a gross of \$219,254.46 and depreciation taken of \$6,901.32.

The schedule showing rental income and expense, rental income, \$6,000.00, deduct expense: 4020 Ogden Avenue, \$1,449.00; at 2141 Crawford Avenue, \$970.28.

And deduct insurance, and so forth, on 4020 Ogden, makes it \$1,449.00, and the same items on 2141 Crawford.

The schedule of depreciation on those same buildings, the depreciation on 4020 Ogden is \$516.66; and on 2141 Crawford, \$437.50.

JOHN JUNGWIRTH, called as a witness on behalf of the Government, having been first duly sworn, was examined and testified as follows:

Direct Examination by Mr. Plunkett.

My name is John Jungwirth. I live at 4315 North Kedzie Avenue. My business is expressing and moving. I have been in that business nine years.

I am familiar with the places known as the Horse-Shoe, Harlem Stables, Lincoln Tavern, Dev-Lin Club, Villa Moderne, Casino Club, and House of Niles.

I had occasion in my business to transport material between these places I have named. That business started in the year 1936. I spoke with Mr. Jack Sommers regarding the first business I had. I think my first business was on Kedzie Avenue. I moved a few tables from 4745 to 4721 North Kedzie. Thereafter I did other business occasionally.

I believe I have moved equipment for Jack Sommers more than ten times since 1936.

I know what Government's Exhibits O-128 to O-182 370 are. They are monthly receipts for work I have done

for Mr. Sommers. They do not indicate from what place to what place my work was done. From my own recollection I can positively state that I moved material from Kedzie Avenue to Harlem and from Harlem to Lincoln, and Kedzie to Tessville. I have moved equipment back and forth from the other places that I have named to you in the beginning that I said I was familiar with. I couldn't recall in any particular instance from what place I moved equipment and to where I took it. I have no recollection of the matter. I have moved equipment from the Casino that is located at Milwaukee Avenue and Irving Park. It is possible that some of the equipment went to Dearborn and Division Streets. It was on the second floor of the northeast corner.

I took some stuff to the House of Niles but that has been several years back. I wouldn't remember where I got the stuff I took to the House of Niles. I have moved equipment to the Lincoln Tavern. I believe I got it from the Harlem. I have moved equipment from the Lincoln Tavern to the Harlem. I do not recall having moved equipment from the Harlem to any other place except the Lincoln Tavern. I believe I got the equipment I moved to the Villa Moderne from Kedzie and Lawrence.

The character of the equipment I moved was tables, chairs and fans. I moved a restaurant several times.

I received the orders to move the equipment about which I have been testifying from Mr. Sommers.

I wouldn't know what kind of tables they were. They were all knocked down when I would get them. The legs were off; just table tops.

I have moved equipment from Dev-Lin to Kedzie and Lawrence; from Kedzie and Lawrence to the Dev-Lin. I wouldn't know how often I moved equipment to and from Division and Dearborn Club.

Each one of these sheets I hold in my hand represents a separate moving transaction done by me at the instance of the defendant, Jack Sommers. Those were the records I have. The entries on those records were made at or about the time the transaction happened. It was my regular custom to make records like that.

The notation on the back of Exhibit O-157 is where it went, to two different addresses here. I states here Kedzie and Lawrence. 21 tables to Irving Park. That refreshes my recollection.

Government's Exhibit O-162 states 20 chairs to D. and D. and four tables to Villa Moderne and bring back rugs to Kedzie and Lawrence. And the following is just a statement showing from and where to it was. It reads Kedzie and Lawrence to Harlem, Harlem to Kedzie, to Dearborn Street, and to Dearborn and Division, and back to Kedzie Avenue. That would show that the tables were picked up at Kedzie and Lawrence.

I can't figure this out. It states Kedzie and Lawrence to Harlem, and Harlem to Kedzie and Lawrence. I wouldn't know what it was. It states 32 chairs to Dearborn and Division, not to Kedzie, so there must have been a return from Dearborn and Division to Kedzie. I would not know what it was. It was just a memorandum to where I went.

That is all in my handwriting. I put that on there at the time I made these trips.

I know where the Hollander Storage Warehouse is on Lawrence Avenue. I have had occasion to bring some of the equipment I have described to that place. I wouldn't know exactly when. I believe it was November and December of last year. I got the equipment that I brought to that place from 4721 North Kedzie and also from the Harlem Stables, no other place.

Cross-Examination by Mr. Thompson.

My place of business is at 4315 North Kedzie Avenue. I have had that for my headquarters four years. My business is expressing and moving. I have a little coal business in the wintertime.

I don't know how I first got employment to do this moving that I have been telling you about. I think it came through the telephone book, and being I am only four blocks away Mr. Sommers called me. I am only four blocks from Mr. Sommers' place of business at the Horse-Shoe.

I believe I first got business from him the latter part of '35 or the early part of '36.

These slips that I have been identifying here cover more than four years of work. My first job of hauling for Mr. Sommers was from 4745 Kedzie to 4721 Kedzie. I wouldn't know the name of the place. The name of the place at 4721 Kedzie is the Horse-Shoe.

I was never in any of these places of business from which I hauled this material or to which I hauled it. I always remained on the truck, I done the loading, employees, I believe, brought the material out of the building. They were not my employees. I just pulled up at the curb, stayed on the truck and certain men brought the equipment or material for me to haul away and I stayed in the truck and done the loading. And then I drove to the address according to my directions. And when I got there there was always help to unload. I stayed with the truck and unloaded the truck. I handed the material out and someone received it. I don't know what room or floor or part of the building that received this material, nor from what part it came.

I received this material in knocked down condition. 373 If it was a table it had the legs off of it.

I could not tell from the appearance of the articles that were delivered to my truck what character the equipment was. I would not know a crap table if I saw it. I would not know a roulette table if I saw it. I would not know a blackboard or wall board for a bookmaker's establishment if I saw it. I don't know anything about gambling houses. It is my business to haul when I am hired to haul and I don't ask questions.

I get paid in cash. When I haul a job a customer is supposed to pay me right then and there. I don't have anyone in my office to take orders. My wife would answer the phone if I was not there and they would tell her to call a

number when I got back. My office is at my home. My wife delivered messages to me, then I followed through with them.

I did not know Mr. Sommers personally before he called me the first time. I believe it was through the telephone book, being that I was close by. I assume it was because I was the nearest drayman and happened to be at home is how I happened to be the one called.

Thereafter I got certain employment from Mr. Sommers. I rendered twenty-four hours service for him seven days a week. Any time he wanted me I would go there. I told him that. He did not talk to me about the character of the material he wanted hauled or how it had to be hauled and so on.

I was called at different hours of night to perform service, some times during the day, some times late at night. The first time was in the evening just before dark. I don't know what I hauled that time. I believe it was a couple of tables. I did not discuss this matter with the United States attorney over the week-end. I did not explain any of these tickets to Mr. Plunkett, so that he could get any more information than we had last Friday. I have not looked at them since, so I would not know any more about them than

I did Friday.

374 This first job says on ticket May 29, 1936, "Horse-Shoe, Moving, \$28.00". That is my handwriting on that ticket. I believe I got the order over the phone.

I did not know Mr. Sommers personally before I got my first job from him. I did not know whether it was Mr. Sommers calling me or someone else on the first job. I was just given an address to come down to the Horse-Shoe and I would go there and was told what to do and then I was paid.

I wouldn't know if the \$28.00 was the first one. I don't know what I hauled on this job that was \$28.00. That would be quite a hauling job.

I would not remember what I hauled on that job June 9, 1936, of \$6.00, on Exhibit Number 129. I would not know what these little \$4.00 jobs were for. I don't remember what any of these was.

Kedzie Motor Service is my trade name. I don't have more than one truck. We do local and long distance furniture and piano moving and storage. In the winter I handle coal and coke. I have not sold any coal and coke to Mr. Sommers.

I charge \$2.00 an hour. I wouldn't know if the \$28.00

was a fourteen hour job. That is probably for more than one job on one ticket. I wouldn't know how three hours at \$3.00 comes about. I suppose it was a night job or something like that.

Tessville is out at Devon and Lincoln Avenue. I transferred something from Kedzie and Lincoln to Tessville. "Black jack table" is in my handwriting. It is just that I was told to pick up one and when it was put on the truck I knew what it was. I just thought that was a black jack table. I wouldn't know one when I saw it.

It says on the back of 157 "21 tables Irving Park". I wouldn't know if those were dining tables. I wouldn't know whether they were little restaurant tables or what they were. I don't know what the game 21 is.

Some people called me and said they had been recommended to me by Mr. Sommers. Mr. William Kelly sitting back there in the court room is one. I don't remember when that was. It was when I hauled something from the D. and D. Club, at Division and Dearborn. Mr. Kelly told me Mr. Sommers had recommended me. Mr. Hartigan called me. I done some expressing for him occasionally. He told me that Mr. Sommers had recommended me to him. I got several moving jobs from friends of Mr. Sommers. I moved his mother's household furniture. I wouldn't know offhand any other places Mr. Sommers sent me.

I believe I hauled that lumber for Mr. Love. He had a store on Kedzie Avenue. It was in the 4700 block on Kedzie. I imagine it was a store room. It was a contractor's store room. He was a contractor. I don't know whether he had a name on the front of the store. Mr. Sommers recommended me to Mr. Love. Occasionally I've done expressing for him.

I work for a lot of people except for those that Mr. Sommers sent to me. All of my coal business was from other sources than Mr. Sommers. The coal business is 10% of my work. I believe Mr. Sommers gave me 10%, maybe a little more of my hauling and maving.

My work is seasonal. From October it is the moving. It is only for three or four weeks and it is two months. Then I am moving people from one residence to another. I am pretty busy those two seasons. There is no season about these black jack tables and so on. They are good fill-ins. They move them off seasons.

When I worked for Mr. Kelly, Mr. Kelly paid me for it and when I did it for Mr. Hartigan, Mr. Hartigan paid me,

and when I did it for Mr. Love of the Lightning Construction he paid me. The only time Mr. Sommers paid me 376 is when I did the work for him. I don't know whether Mr. Love or the Lightning Construction Company have any other places of business. I believe he has got garages now in place of the store. Later on I think he had his headquarters at his garage where he kept his trucks. I do not remember when he changed from his Kedzie Avenue address to his garage.

Hollander's is a moving and storage warehouse. I haven't got a warehouse. Hollander's do not do storing for me. They were the agency for the Cubs Park Storage. I hauled some stuff from 4721 N. Kedzie to Hollander's for storage. Mr. Sommers hired me for that the latter part of 1939. It was some time after the end of September. When I got there Mr. Sommers told me to see Mr. Hartigan and I moved some stuff from the Harlem Stables. I saw Mr. Hartigan. Mr. Sommers paid me for what I hauled for Mr. Sommers. Mr. Hartigan paid me for what I hauled for Mr. Hartigan. I hauled for Mr. Hartigan from the Harlem Stables to Hollander Storage. Mr. Sommers told me when I did the hauling for him that I see Mr. Hartigan. He had some hauling to do, too.

In this whole four years that I have been talking about I did only these eighty jobs or so that is covered by these slips. That is about twenty jobs a year. This would be some for Sommers and some for Mr. Sommers' friends he recommended to me. We got to be real good friends. I could depend on him when I was in need, even to the extent of borrowing money from him. I borrowed money from Mr. Sommers on several occasions. He was just recommending me for some work.

Redirect Examination by Mr. Plunkett.

I took the material that Kelly asked me to move for him from Dearborn and Division to the Harlem Stables. That is to the Harlem Stables or from the Harlem Stables back to Division and Dearborn. I wouldn't recall when I 377 did that. I have not talked to Government counsel over the week-end. I have not talked to anybody else about this testimony. I have not done anything to refresh my recollection since last Friday afternoon. Just thought of it.

I am now testifying that all these jobs for Kelly, Harti-

gan and Sommers were separate. I would not know why all my bills which I have identified heretofore were made out to the Horse-Shoe. It was just force of habit I believe. I would not know if every one is. It appears they are. Possibly I did make out a bill for Mr. Kelly or Mr. Hartigan on scratch paper. I did not have any notation. I did not have a bill along. I would give him a receipt for his money on a paper. Possibly I would not have any record of this. I do not know where my records are on the moves I made last November I testified about to the Hollander Storage Company. They are not in my files unless they are in there. I wouldn't know how long before I moved the stuff to Hollander Warehouse that I done any moving for these individuals that I have named. Approximately during the period of five or six months; occasionally here and there.

I can't find any evidence for the moving that I did subsequent to February 9, 1939. Nobody spoke to me about these later invoices. I remember the store that I visited that Roy Love was in was located in the 4700 block on Kedzie Avenue. It did not have a sign on the front window. They do not sell anything in that store—just a store room or carpenter shop, whatever you may call it, ladders, block and tackle and different tools. It was not open to the public.

Mr. Plunkett: The Government will now offer Government's Exhibits O-128 to O-182 inclusive except Government's Exhibits O-135, 137, 139, 146, 152, 154, 156, 165, 161, 164, 160, 174 and 175.

Mr. Thompson: My objection is they are immaterial, Your Honor, and a duplication of the testimony of the witness.

378 The Court: Objection overruled.

Mr. Thompson: Also that they are in no way connected with the Defendant Johnson and the other defendants not named.

The Court: Overruled.

(Said documents so offered and received in evidence were marked GOVERNMENT'S EXHIBITS O-128, O-129, O-130, O-131, O-132, O-133, O-134, O-136, O-138, O-140, O-141, O-142, O-143, O-144, O-145, O-147, O-148, O-149, O-150, O-151, O-153, O-155, O-157, O-158, O-159, O-162, O-163, O-166, O-167, O-168, O-169, O-170, O-171, O-172, O-173, O-176, O-177, O-178, O-179, O-180, O-181, O-182.)

JOSEPH A. HOLLANDER called as a witness on behalf of the Government, having been first duly sworn, was examined and testified as follows:

Direct Examination by Mr. Plunkett.

My name is Joseph A. Hollander. I am in the storage and moving business. I have been in that business about 28 years. We have three places of business, two on Milwaukee Avenue and one on Lawrence Avenue. These are warehouses that I am speaking of.

Government's Exhibits O-183, 184, 185, 186, 187, 188, 189 and 190 are records of our business. These are pick-up and delivery records. It is usual and customary in the course of our business to keep records like I have here.

Government's Exhibits O-193 to O-201 are what we call moving tickets. They are records of our business kept in the usual and regular course of business. Those entries were made at or about the time the transactions occurred.

Government's Exhibits O-191 and O-192 are records 379 of our business. These are warehouse receipts and ledger sheets. The entries on these exhibits are made in the usual and regular course of our business and it is usual and regular in our business to make such entries as these.

We did business with a place known as the Horse-Shoe. It is, I would say, over ten years when we first did business with them. When we first started doing business I remember it was located on the west side of Kedzie Avenue just south of Lawrence. They ran a restaurant there. I never saw anything else in operation.

After that the house was moved across the street a little farther down the street on Kedzie Avenue.

Our first contact with the Horse-Shoe was made through Mr. Barnes. I do not remember his first name. He has passed away. I do not know exactly when, probably three or four years ago. After Barnes died we didn't deal with anyone in particular. The orders may have come over the phone. Maybe one of the employees came in.

I know the defendant Jack Sommers. I know him about six years. I have had business dealings with him. We moved his own home at one time. I have never had any direct dealings with Sommers concerning the Johnson ac-

count, if that is what you mean. Sommers has never directly given me an order.

On each of Government's Exhibits O-183 to O-190 I find the name of Barnes. Originally the name of Barnes referred to the account of Barnes and I suppose you might say later reverted to the Horse-Shoe. O-183 says 4701 Kedzie to 3600 Devon. Exhibit O-184 says 3600 Devon to 4721 Kedzie. Exhibit O-185 says 4721 Kedzie to 3600 Devon.

The account carried under the name of Barnes was located at 4721 Kedzie. There was a charge account between us and the Barnes account at 4721 North Kedzie. I would send the bill. I never received any money.

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Cross-Examination by Mr. Thompson.

Exhibits O-183 to O-190 are delivery records covering the services rendered to a lot of different people. The name at the top, Tanner, is the driver, and this is the driver's record from and to on all these transfers. Each sheet is a different day. It is dated. The first sheet is May 21, 1935. The next one is June 17, 1935. The next one is June 28, 1935; the next July 6, 1935; the next June 12, 1935; the next July 13, 1935; the next July 19, 1935; the next July 1, 1937. All of them in the middle of '35 excepting the last sheet and that is '37.

The batch of exhibits O-193 to O-201 are all moving jobs for either Mr. Sommers or Mr. Barnes, and O-191 is a warehouse receipt issued to James Hartigan October 26, 1939, and O-192 is a warehouse receipt issued to Jack Sommers on the same day. These entries on the back are charges and credits for storage.

Mr. Thompson: That is all, Your Honor. I move to strike the testimony of the witness so far as the Defendant Johnson is concerned, immaterial and in no way connected with him.

The Court: Motion denied.

Redirect Examination by Mr. Plunkett.

Exhibits O-193 to O-201, having on one sheet Jack Sommers, on another sheet 4721 Kedzie and another sheet Barnes, all refer to the same account.

ARTHUR W. SCHAFER called as a witness in behalf of the Government, having been first duly sworn, was examined and testified as follows:

Direct Examination by Mr. Miller.

My name is Arthur W. Schafer. My business is sales service. I am employed by Autovent Fan Blower Company.

I have been so employed approximately 19 or 20 years. 381 I know Roy Love. I first met him about five or six years ago at the Horse-Shoe Restaurant. I was servicing a motor or exhaust fan for him at that time. It was located at the Horse Shoe Restaurant.

From time to time when it was necessary he got in touch with me to take care of a motor, service a motor and fan. During the period that I have known him, approximately four or five times a year, I would have occasion to take care of fans whenever trouble developed. I serviced fans for Roy Love in the hall above the Horse-Shoe Restaurant. There were gambling devices there. I serviced the motors.

I did work for Roy Love at Lincoln and Devon. I do not know the name of the place. I serviced a motor. He always called me whenever it was necessary. I would meet him at the Horse-Shoe Restaurant. I don't recall offhand that there are any other places for which I performed services for Roy Love.

In about April, May and June of 1939 it was exhausting equipment installed at the Bon-Air Country Club in the kitchen and dining room and shower rooms. The equipment amounted to about \$1500.

I was paid by Roy Love, part of the time by check and the balance in cash. The check given was Lightning Construction Company, signed by Roy Love. In my dealings with Roy Love I never heard of the Lightning Construction Company prior to 1939. I asked how he wanted the equipment billed and he said, "Bill the Lightning Construction, Wheeling, Illinois." The Lightning Construction Company was Roy Love. I saw him out at the Bon-Air during the year 1939 at the time there was a discussion in regards to the discharge of the stack in the kitchen, and there was a discussion with Mr. Johnson and Mr. Nadherny. I have reference to Bill Johnson. I see him in the court room. Mr. Nadherny, the architect, was

present. That was the time the kitchen was being
382 remodeled. We were trying to prevent the fumes from
being carried from the kitchen into the dining room.
They asked me if I thought the stack was satisfactory.
Mr. Nadherny asked me. Mr. Johnson made the same
remark. Mr. Love did refer customers to me. He re-
ferred Fred Gitzen. That occurred at the time the hall at
Dearborn and Division was being constructed. I took care
of a couple of fans and motors for Mr. Gitzen. It was at
Division and Dearborn. I met Mr. Gitzen at the time.
I took care of motors and the fans for him. They were
being put up in the rear part of the hall. I had other
business dealings with Mr. Gitzen on Lake Park and 53rd.
I also took care of fans there. At 9700 Western I took care
of fans and at Cottage Grove and 63rd.

The places at 97th and Western, 53rd and Lake Park,
63rd and Cottage Grove were all gambling places. Mr.
Creighton paid me for my services performed at those
places. I see him in the court room.

With reference to the check of the Lightning Construc-
tion Company it was drawn on the Deerfield State Bank.

Cross-Examination by Mr. Thompson.

I personally do not keep books of my accounts. I have
books showing work done at the Bon-Air Club at the office.
Our credit department delivered that ledger card to the
United States Attorney's office.

Our contract out there in 1939 was approximately
\$1500.00. I don't remember the exact amount. It was not
all paid at one time. I got a check from Mr. Love. He
paid it all. He always had the money on his person. The
money that was paid to me was paid to me at the club. I
don't just remember where he handed me the check but the
cash he handed me some-place around the building, I just
don't recall where. I don't recall what the amount was.

He gave me currency several times. I do not remem-
383 ber that I went up to the office of the Bon-Air to get
any of this money.

Mr. Nadherny and Mr. Love were the only persons that
talked to me about this exhaust equipment for the dining
room other than Mr. Johnson. I don't remember anyone
else around there at the time. I don't remember ever hav-

ing talked to anyone else about construction work out there. I didn't talk with anybody else I can think of whose name I can give you.

JOSEPH GEORGE WEEKS, called as a witness in behalf of the Government, having been first duly sworn, was examined and testified as follows:

Direct Examination by Mr. Plunkett.

My name is Joseph George Weeks. I live at 900 Montrose Avenue, Chicago.

I am acquainted with a building located at the corner of Division and Dearborn Streets. I became acquainted with it about '38, I guess. I was employed there as watchman. I heard they were opening a club there entitled the D. and D. Club and I thought I might get a job as watchman. I went down there.

After I talked to the porter I approached the gentleman called Mr. Johnson in a tiny office in the building on the second floor. This office was a part of a big room. It was empty. I told him that I had been informed he was opening a night club and I would like a position as watchman and detailed my abilities at watchman, my previous experience, and he didn't employ me, but told me to see Mr. Kelly, and I was put on the payroll by Mr. Kelly the next morning about three o'clock. I was employed by Mr. Kelly at the instigation of Mr. Johnson. I have told you I interviewed Mr. Johnson and he told me to see Mr. Kelly, or words to that effect.

I saw Mr. Kelly. I told him I had interviewed Mr. Johnson and that I would be pleased if I could get a 384 job. He said "Yes, you are on the payroll starting at three o'clock in the morning" or words to that effect.

I was watchman. My duties were to prevent any unauthorized person from approaching or leaving the building. My hours were from three to eleven.

Mr. Plunkett: If your Honor please, the Government again claims surprise. I ask leave to cross-examine this witness on what he has stated to me previously.

Mr. Callaghan: We object to that. Every time somebody comes in here and doesn't stand up just right, the

United States Attorney says he would like to cross-examine the witness. He has done it three times, now. There is no showing here that gives him the right to cross-examine this witness.

The Court: Are you taken by surprise?

Mr. Plunkett: Yes.

The Court: You may do so.

Cross-Examination by Mr. Plunkett.

I did talk to you before in one of the offices in this building. I do remember what I told you about this state of facts at that time.

Mr. Plunkett: Q. I will ask you if at that time you didn't say that Mr. Kelly had nothing to do with your getting that job?

The Witness: A. I used no such expression. I may have inadvertently left out Mr. Kelly, but I did not say that Mr. Kelly had nothing to do with it. If you have that statement down there, it is incorrect.

385 Mr. Kelly was not present in the office when I talked to Johnson.

I worked in that building between three and four months. I was down in the basement. Some times if I took the occasion I would go up to the watchman, so that I really was doing inside work. There were some times three watchmen around the building, invariably two. I was inside down in the basement. It was not upstairs. I was considered the inside watchman.

At the end of the period that I worked there I was laid off, I think by Mr. Kelly. He told me the night club was being closed. He told me that he thought the Harlem Club was going to open, that I would be re-employed in the near future. I did nothing until the Harlem Club opened; then I went out there. I saw Mr. Johnson. I said I hoped I would be re-employed in my former capacity as a watchman. He said he thought I would be and I was.

Pete Riley was the man that I approached after seeing Mr. Johnson, that I reported to after I saw Mr. Johnson.

386 I think I was at the Harlem Stables approximately ten months in 1939. I left the latter part of September. Pete Riley told me to leave.

Cross-Examination by Mr. Thompson.

I did not know Mr. Johnson when I was told by the porter to see him about getting a job. I did not know anything about his connection with the place. I was informed that this club was going to open up and if I approached Mr. Johnson I might get a job due to my previous experience. He pointed out Mr. Johnson and I approached the gentleman.

I talked with Mr. Johnson and he told me to see Mr. Kelly. Mr. Kelly told me to go to work.

The watchman inside paid me. He handed me my money every night.

When the club closed up Mr. Kelly said he didn't have any more work for me. He said he probably would have in the near future. I did not ask him if he knew where I could get some more work. He did not tell me where I could get another job. I didn't ask any such question. He simply said I would be re-employed in the future. I would get a job at the Harlem Club.

I went out to the Harlem Club to see if I could get a job and I found Mr. Johnson. I think I had to visit there twice to find him. He came down one evening, approximately between ten and twelve. He told me to see Mr. Kelly—and see if I could get a job.

Q. You talked with Pete Riley?

A. Well, I asked him was there any chance for a job; I was previously employed at the D. and D. He said, "Yes, go to work at three in the morning" or words to that effect.

The inside watchman paid me for my work at the Harlem Stables. I got paid every night. When the Harlem Stables closed up Mr. Riley told me he couldn't use me any more.

Redirect Examination by Mr. Plunkett.

387 I can point out the defendant Johnson and the defendant Kelly. (Indicating defendants Kelly and Johnson.)

THOMAS ELLIS, called as a witness in behalf of the Government, having been first duly sworn, was examined and testified as follows:

Direct Examination by Mr. Hurley.

My name is Thomas Ellis. I live at 1414 North Austin Boulevard, Oak Park.

I worked at a place called Southland located at 6245 Cottage Grove Avenue. I started about the 1st of May, 1938. I was a sheet writer. I started as a shill in craps and acted as a shill possibly two weeks.

I worked as a sheet writer at the Club Southland about a year. There were from two to four sheet writers working there. I couldn't say how many shills were there. I didn't know all of them. I didn't work but about a week or so at shilling.


I talked to Mr. Creighton about getting my job at the Southland. I see him in the court room. (Indicating the defendant Creighton.) He was up in 6245 Cottage Grove when I talked with him. That is where the Southland was located. After I talked to Creighton I came back and went to work in about a week. When I talked to him he put me to work. I worked under William Foley.

I worked at the Select Club, on Circle Avenue and Harlem, in Forest Park, after I left the Southland. I think the street number is 7210 Circle. I was a sheet writer at the Select Club. I worked there about a month. My hours at the Southland Club were from eleven in the morning until six in the evening. My hours at night, as a shill, were from eight until three. After I worked at the Select Club I worked at the Proviso Club on First Avenue in Maywood as a sheet writer, about three months. I was working 388 under MacKenzie at the Select Club. They call him Mack. I never knew his first name.

I did see Creighton at the Select Club three or four times while I worked there. He came in and talked to MacKenzie, that's all. I did see Creighton at the Proviso Club two or three times while I worked there. He came in and talked to MacKenzie. MacKenzie was the boss at the Proviso, the man in charge.

I didn't work anywhere after I left the Proviso Club. We had from two to five sheet writers at the Proviso Club. My hours were from eleven until approximately six.

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The Proviso Club was a one-story building. Besides the sheet writers they just had horses in there. They had horses in the Select Club. The last day of my employment in this line as a sheet writer was July 9, 1939.

When I left the Southland Mr. Creighton sent me out to the Select Club. He told me to go out to the Select Club and work. He did not tell me what to do there. He told me to see Mr. MacKenzie. MacKenzie sent me from the Select Club to the Proviso. We moved out of the Select Club in a body to the Proviso Club.

When I worked as a sheet writer I used sheets about ten by five or six. There were duplicates made of these sheets. There was an original and one duplicate. The person who wanted to make a wager would give you a certain amount of money and after you had that money and had it written on the sheet I would turn the sheet and the money over to the cashier. I would turn over the original and the duplicate and the money. The cashier was about ten feet to my right when I was working as a sheet writer. He had a cage in front of him. There were from two to four, sometimes five, cashiers at the Southland. They all had the same equipment in which to work. I would some times bring the money and the sheets to the cashier. There were no other records that I made than these sheets. I did not ever act as a cashier. I would
389 never see the sheets again after I turned them over to the cashier. That operation ended so far as I was concerned.

I was paid at the end of each day in the form of cash. That is true of all the places I worked. Mr. John Butler paid me at the Southland. Any one of the cashiers might have paid me at the Select Club, in cash.

I got \$5.00 a day as a sheet writer, \$4.00 as a shill. The money for my services was just handed to me. I did pay Social Security when I was so employed. That is true at the Southland. I gave it to John Butler every night or every day. I paid my Social Security at the Select Club to one of the cashiers, whichever one happened to pay me. The same is true at the Proviso Club.

Cross-Examination by Mr. Thompson.

I did not ever work at any other bookie besides those I have named. That was my first experience in the gambling house out at the Southland. I was in them before. I never worked in them. I have not worked in any bookie

or gambling house since I worked at the Proviso Club. I have been drawing state unemployment compensation since July 1939. In the last month I got myself a job at 5735 North Avenue in a tavern. They take horse bets in there. They have not got a megaphone which gives the horse results in that tavern.

(Witness excused.)

LOUIS H. LYNCH, called as a witness on behalf of the Government, having been first duly sworn, was examined and testified as follows:

Direct Examination by Mr. Hurley.

My name is Louis H. Lynch. I live at 6450 Kenwood Avenue. I worked at the Southland Club, I believe, around 1934, for probably a year or two. I asked Mr. Creighton for work. He told me to come back later. He gave 390 me work. I came back probably two weeks after the first conversation. I see that Creighton here in the court room. (Indicating defendant Creighton.)

I wrote sheet at the Southland. I was a cashier for a short time. I acted as a sheet writer probably three quarters of the time. We had three or four sheet writers there. I worked there probably two or three months. As cashier I received the money from the sheet writer and paid out the bets. That is about all. I don't know that anybody was in charge of the cashiers. There was a man by name of William Foley who acted as manager for three or four cashiers.

I had one sheet there as a permanent record. In the evening when you balance, you turn the sheets over to Mr. Foley. I used the sheets for a pay-off and in the evening when you balance you turn the sheets over to Mr. Foley.

I did not have a duplicate. I wouldn't know what happened to the duplicate. That was not given to me at any time. When I working as a sheet writer there was usually a man that picked up the original and duplicate as you filled them out or completed them. That is the last you would see of them. When you work as a cashier you add up the sheets to see that the money corresponds with the total amount on the sheets. You do not transcribe it on any other sheet. You would put the money that you receive from the sheet writer in the cash drawer.

I worked at 119th and Vincennes. I guess they called it the 119th Club. Southland was closed, so I went out there. Mr. Creighton told me to go out there and to work out there. I worked probably a year as a sheet writer at the 119th Club. Probably two sheet writers and the same amount of cashiers.

I worked at 9730 Western Avenue probably six months, sheet writing. Mr. Creighton told me to go out there. There was nobody to speak of when I went out there. We just went out and went to work.

391 I worked at 406 East 63rd Street. I believe they called it the 406 Club, as a sheet writer, probably six months or more. Mr. Creighton sent me there. I did not see anybody over there when Mr. Creighton sent me there. Mr. Creighton had charge of the place, and we just went to work.

I did not make any further record after I received the sheets from a sheet writer, when I was operating as a cashier. There was no other record kept at all by me while I was working as a cashier. If you paid out some money, you wrote it on the original pay-out sheet. It would be the same sheet that the sheet writer wrote on. I wouldn't know if any of the other cashiers, other than myself, ever made a record other than the sheet that they got from the sheet writer.

There was usually the man we turned our money in to and the man we got our money from. I wouldn't know if he kept the record of the amounts that I had indicated as being paid out on the sheet that I got from the sheet writer, so that the only record available was that sheet that the sheet writer made. That was the only record of the payment. At the end of our work we balanced the sheets with our cash and turned them over to the head cashier and that was the end of the day's work. I don't know what he did with them. I never saw those sheets after I turned them over to the cashier. I did not at any time have any one say anything to me about my figures that I had made on these sheets while I was acting as a cashier. I did not ever make a mistake. I wouldn't know what happened if anyone made a mistake outside of correcting it. I wouldn't know if anyone else ever checked those sheets after I finished them.

I would see those sheets that I have been speaking of as cashier, the following day. They probably would be in the vault. Both the original and the duplicate would be there. I wouldn't know how long they were kept there.

I really never looked for these sheets. If there were 392 any errors why we would pick them up and correct them and wouldn't pay any attention how long they would be there. I said if there were any errors I would pick them up from the vault and correct them and pay out the proper amount. The person probably would come in and call our attention to the error and complain about not being paid enough, or if he was overpaid if he was that type. The occasion did not ever arise when anyone other than the patron would call attention to an error. I was only cashier for three months and that is a very short time.

Mr. Thompson: If the Court please, we move to strike the testimony of the witness. It doesn't tend in any way to prove the taxable income of the Defendant Johnson or an attempt to evade payment of taxes on the taxable income. This sort of testimony, it seems to me, ought to have some limitation. It is not connected up with the Defendant in any way and doesn't contribute to the question which ultimately must be decided.

The Court: Motion denied.

RUSSELL B. GLAVE, called as a witness on behalf of the Government, having been first duly sworn, was examined and testified as follows:

Direct Examination by Mr. Hurley.

My name is Russell B. Glave. I live on Elmhurst Road about two and a half miles north of Mount Prospect, Illinois.

My brother Glenn and I operated a business on Harlem Avenue in the year 1934. We had a tavern and sort of a night club there. I believe the address was 4301 North Harlem Stables. We named it Harlem Stables. I believe it was 200 feet long and about 90 feet wide. I believe it was a tile building, cork insulation and inside 393 the building there was plain pine wood. There were two large rooms there. They were each about 90 by 100. When we moved in there was a dance floor in there about 35 by 60. That was in the west front of the building near the street. We erected a bar there and put in a shell for the musicians to work in. The dance floor just covered part of the room, about 35 feet wide and

about 60 feet long. The dance floor was on top of a cement floor laid in their originally. The dance floor was raised probably four inches or so off the cement floor.

When we first came there we had the bar and back room and then we put an entrance in the front and concentrated our business on the front room inasmuch as the bar was in the front room and the show was in the front room.

We leased that building from Walter Sass. I believe the lease started in August 1934. I believe it was for a year with an option. It was not renewed. It was just a verbal agreement from month to month, something like that. I believe my brother and I had that business there about two years. I was a musician and worked for the state while this place was being operated. I did not spend very much time in the business, probably two or three nights a week; all depended how busy we were.

My brother ran the place while I wasn't there and I ran it to begin with and afterwards we found out it was too much work for us to handle, so we put a man by the name of Earl Jackson in charge of the business out there.

There were about five or six waiters and waitresses other than Earl Jackson. We had another bartender and a caretaker.

I wouldn't know the exact date this business was terminated, approximately early in August, 1936. I did go to those premises on or about that day with my brother

Glenn F. Glave. It was in the night time. I had been 394 there two days before that. Business was being carried on at that time. When I went there this time in August I found out there was somebody else in our business.

Mr. Thompson: We object to all of this as immaterial; no connection with these defendants.

The Court: Overruled.

The Witness: There were probably half a dozen workmen in the building working and preparing the building for some other business. They were laying some more wood floor on top of the cement floor in the large room. I didn't notice everything. I noticed a lot of hammering going on. I don't recall any other work. I talked to a laborer over there, one of the carpenters. I wanted to talk to the man in charge. I don't know who the gentleman was at that time but later on I found out who it was. The gentleman in the rear there, Mr. Sommers. (Indicating the defendant Mr. Sommers.) I talked to him at that time. I

told him who I was and that my brother and I had a business in that place.

Mr. Thompson: I object to any conversation outside of the presence of Mr. Johnson on this subject.

The Court: Overruled.

The Witness: I told him I would like to straighten this matter out, that my brother and I had a business there, and we didn't know that somebody else was coming in to take it over and we would like to straighten it out financially. We had some money invested there and would like to straighten the matter out. He says he didn't know me and didn't know anything about it. I couldn't get any satisfaction. He didn't say anything else.

Mr. Thompson: We move to strike all of the conversation as prejudicial and having no relation whatever to the issues at bar.

The Court: Overruled.

The Witness: When I went over there there was no 395 stock there or any equipment that I could see. We

had liquor there and beer when I left before, stock in the place, tables and chairs. I don't remember offhand how many. We had enough chairs there and tables to seat six hundred people. That was our capacity in there. I didn't see any of those tables and chairs when I went there on this evening I described. Everything was moved out as far as I know. I couldn't see anything of ours. I looked in both rooms. I didn't see our stock of liquor and beer.

Mr. Thompson: If the Court please, we object to all of this detail as immaterial and prejudicial, apparently tending to show or prove some separate, distinct crime by somebody.

The Court: Overruled.

The Witness: I did not go back there at a later date; after I couldn't get any satisfaction I had to go some place and talk to somebody else to get some satisfaction. I believe it was two days after I had been there the first time that I went back to the premises. I saw the landlord Mr. Sass there. My brother and I came together and there was Mr. Johnson, Mr. Long and Mr. Sommers. I see that Johnson in the court room. (Indicating the defendant Johnson.) I talked to Mr. Johnson. I said, "You are Mr. Johnson, aren't you?" He said that didn't make any difference who he was. He didn't say anything else but the landlord at that time told us he didn't want any trouble. Johnson was there when he said that.

We were all sitting around a table discussing this matter. The landlord advised a meeting at his home later on, the next night I believe. There was nothing else said. There was something further said by the defendant Johnson. He said I made a lot of trouble for him and made the place a ball of fire. He said that to me. I don't recall anything else being said there that night by anyone else.

There was a meeting held the following night in 396 Mr. Sass' home. Mr. Sass, my brother and I, the bookkeeper, Earl Jackson, and a bartender by the name of Roman Chlaebos was there, Mr. Johnson and his brother Elmer and Mr. Sommers was there. I see the other Johnson here in the court room, the gentleman there with the glasses on. There may have been some more there, I don't recall right at this time.

We wanted to get some money, some of our money, from the people, whoever was going to take the business over. Mr. Elmer Johnson talked to us and Mr. William Johnson talked to us about it. The defendant William Johnson wanted to know how much would clear up the whole matter. I talked to the bookkeeper and advised him that we had \$3500.00 invested in the business. I told Johnson that and he said it didn't appear to be that much to him. He said he wouldn't settle for that much money. He said it was not worth that much. He offered to give my brother and I \$100.00 apiece. I told him I thought it was ridiculous. Johnson made no answer. He finally said it would be raised to \$200.00. I believe that is all he said.

After we were paid what we could get William Johnson asked me to withdraw the complaint in the States Attorney's office. I received the \$200.00. It was taken out of Bill Johnson's pocket and eventually reached me through someone else. I saw him take the money out of his pocket. I don't know whether it was all of it or not. I don't know whether the \$200.00 all came from Bill Johnson. After he took that money out of his pocket I received \$200.00. My brother got \$200.00 also. I saw him after we were outside.

There was an agreement drawn up that night by Mr. Elmer Johnson, that is the same Johnson I pointed out here as a brother of the defendant. I saw the document marked O-202 for identification in the home of Mr. Sass on the night I have described. I saw it prepared. I saw

it executed. I saw the name Earl Jackson written
397 there by himself. I saw the other signatures, Charles
Kolarik, who is the bookkeeper down there and Walter
Sass as agent for the owners of the premises. I did two
days later after the meeting in Mr. Sass' home go over
to the premises in which I had done business. I saw
Mr. William Johnson, Earl Jackson and Pete Watzinski,
and myself there, four of us. Pete Watzinski was our
caretaker. I did have a talk with the defendant Johnson
that night. Us four that I mentioned were present. I
told Mr. Johnson that this man here had some money
coming. His agreement was he was going to settle up
the debts that we had incurred there, so I brought Wat-
zinski over there to get what he had coming. Jackson
wanted to know how much he had coming. I told him
he had about \$150.00 coming. He asked Watzinski if he
would settle for \$100.00. Watzinski told Johnson he would
settle for \$100.00. That was the end of the conversation.

Mr. Johnson and myself talked about other things. I
spent about half an hour there that night.

After this conversation that I have described, Mr. John-
son, Mr. Watzinski and myself went around to look at the
dice tables and card tables. Mr. Johnson explained what
the different gambling devices were.

I have not seen since any of our equipment and furnish-
ings that we had there.

Q. And that was worth about how much you say?

A. Well, we had an investment in the place of \$3500.00.

The Witness: The last time I saw Earl Jackson was
after the meeting there at Mr. Sass' home about two
nights later after that. That is the last time I saw him.
He was at the Harlem Stables.

I saw about six crap tables at the Harlem Stables when
I met the defendant Johnson after the meeting at Sass'
house. There were quite a few people there. They were
betting and gambling. I saw poker tables and there
398 were the tables that had cards on, where you could
lay a bet on the card. The back room was equipped
for horse racing. I mean sheets up on the wall and things
like that.

Government's Exhibit O-202 for identification was exe-
cuted the evening that we met at Walter Sass' house
early in August 1936. When I say Elmer Johnson wrote
this document I am referring to the body of the document.

Elmer Johnson is a brother of the defendant. The other signatures appearing thereon I believe I have testified to as to whom they were executed by.

Mr. Hurley: I now offer, if the Court please, Government's Exhibit O-202 for identification.

Mr. Callaghan: If Your Honor please, I would move to strike all of the testimony of this witness on the ground it is immaterial to admit statements and the declarations of any of these defendants, and if the Court please, are not made in pursuance of the charges as are named in the indictment and more particularly none of those things alleged in the alleged conspiracy are things to defraud the United States.

The Court: Overruled.

Cross-Examination by Mr. Thompson.

When I came into the court room with three Government agents and three United States attorneys I was coming from a conference with them. I was subpoenaed to come to the courthouse to tell them my story. I sent word to my lawyer to have them subpoena me.

Q. So you carried out your threat to turn this matter in to the United States Attorney if they did not kick in \$500.00 that you demanded last week?

A. No sir. My attorney was advised to have me come in and then I was subpoenaed in.

Q. Your attorney carried your message to the United States Attorney last Friday or Saturday.

A. That I couldn't say for sure.

Q. When was the last time that you demanded \$500.00 from these defendants and said if they did not pay 399 it, you were going to tell this story you are now telling?

A. I did not threaten anybody.

Q. You told them that, didn't you?

A. I told them it was his agreement and why didn't he live up to it.

I did not tell them that if they did not kick in \$500.00 I was going to tell the United States Attorney this story. I told him it was his agreement. Why didn't he live up to it? I told Mr. Elmer Johnson I couldn't get in touch with Mr. William Johnson. I didn't know where to locate him. I did not myself try to get in touch with him through

you the other day. My lawyer may have. I don't know about that. It was left in his hands to take care of it.

I was here in the court room Friday. I did not talk to any of the defendants' representatives or anybody else. I saw them but did not talk to any of them. It was left in the hands of my lawyer to do it. I did not fix any deadline that if they did not come through I was going to tell the story.

I was called in here Saturday.

Q. You sent word to them to call you in, didn't you?

A. Not so far as I recollect.

I did not tell Mr. Cass, or whatever his name is, to tell them that I had a nice story to tell. I did not tell him to tell them anything. I asked him to collect this money.

We had a judgment against us. A man got hurt. A judgment passed against us. That was back in 1935. That was two or three years before these men had anything to do with the Harlem Stables. I did not tell them that if they did not come through with \$500.00 I would turn this story over to the Government. I never made any assertion like that whatsoever. I asked the man to pay the bill.

That is all. Nothing else was said relative to spilling 400 this story. I was subpoenaed in to come in and tell the story. I talked downstairs with the three Government Agents and the three United States Attorneys, about twenty-five minutes. They have asked me questions and I have answered them. I was called in there Saturday. I was down in their offices during the noon hour today, about twenty-five minutes. I don't know just how long it continued. I was not looking at a watch or clock or anything like that.

Mr. Johnson asked me to withdraw my complaint with the States Attorney; after I had my settlement out there I went down there and withdrew it.

After we got the \$200.00 that is as much as we could get.

Q. You lost \$3500.00 worth of goods, is that right?

A. Well, after we got \$200.00 a piece I wouldn't say it was \$3500.00, but we did not get what we had invested in the place.

We were not broke and had not already lost the place before the landlords rented it to somebody else. We had the stock of liquor there. We couldn't find it when we went back there. We couldn't do anything about it. They

just didn't want to talk to us about it. I told the States Attorney about it. Then I withdrew the complaint after we had the negotiations with the Johnson boys and Mr. Sommers.

Mr. Johnson took the \$200.00 out of his pocket. Mr. Johnson paid the \$200.00. Mr. William Johnson handed me the money.

Mr. Thompson: By the way, there is an offer pending, Your Honor. I object to it on the ground that the exhibit is immaterial and is in no way connected with these defendants, a settlement apparently between one Jackson and this witness, some controversy between them.

The Court: Objection sustained.

401 GLENN GLAVE, called as a witness on behalf of the Government, having been first duly sworn, was examined and testified as follows:

Direct Examination by Mr. Hurley.

My name is Glenn Glave. I live at 5058 Wolfram Street, Chicago, Illinois. I am a brother of Russell Glave.

My brother Russell and I during the year 1934 had a business located at 4301 North Harlem Avenue. The name of that place was the Harlem Stables. It was a tavern and night club.

We went into the business about September 12, 1934. We operated the business almost two years, until August 1936. The premises consisted of two rooms about 80 by 70 apiece. The room to the west had a dance floor about 35 by 60 with a railing around it, a band shell in the front and a bar along the south wall with chairs and tables around the dance floor. There was approximately 100 tables and about 400 chairs. There was concrete around the edge of the dance floor.

We did have a stock of merchandise there. There was liquor that we had for the bar, soft drinks, chairs, tables and a bar and bar equipment.

My brother and I invested approximately \$3500.00 in that place.

Mr. Thompson: We object to that as immaterial and move to strike the answer.

The Court: Let it stand.

The Witness: I did go over to the premises about August 1936 during the evening. I was employed otherwise. I always went over there on Thursday evening and Saturday evening and Sunday. I did go over there in the month of August 1936 and found the premises in a different state of affairs than they were the time they were there before.

I believe it was on a Tuesday night that my brother 402 told me that it was being occupied by somebody else.

My brother went with me. We couldn't get in there. I went back later. My brother went down and investigated why we couldn't get in. It was being remodeled, the floors were being covered, there were carpenters all around making different changes. The time I was there they were putting in a new floor over the concrete floor. Nothing else that I can recall at the present time. The bar was still there. There was nothing there in the line of liquor.

I talked to Mr. Sommers there that night and later on Bill Johnson. (Indicating the defendants Johnson and Sommers.)

This meeting was at the Harlem Stables in the front room. We were all seated around a table. The defendant Johnson wanted to know why we were there. We said we were out there in the interest of our business, the Harlem Stables, which we were conducting there, and he wanted to know what we had to do with it. We told him that we owned that business and he said, well, so far as he knew we had nothing to do with it. Mr. Sass, the agent of the building, was there. He stated that we were the original owners there and as far as he knew then we were still the original owners. That was in the presence of the defendant Johnson.

It was Mr. Sass' suggestion that everything be ironed out, at his home, regarding the taking over of the Harlem Stables. Mr. Sass invited all the parties concerned over to his home. I believe it was either the following night or the night thereafter.

There was nothing further said around this table. There was general conversation going on.

I was present in Mr. Sass' home. Mr. William Johnson, Elmer Johnson, the brother of the defendant, Mr. Sommers, my brother, myself, Mr. Sass and one of the bartenders by the name of Mr. Chlaebos and Earl Jackson was there as far as I can remember. I talked to most of

them. Johnson asked how much we expected to get
403 out of the Harlem Stables and we told him \$3500.00.

He said that was out of the question, there was nothing like that involved in it. He offered us \$100.00 apiece to get out. We said that we wouldn't consider anything like that at all. He finally told us what he would give us was \$200.00 apiece and that is all. That was the defendant Johnson. I got \$200.00 that night from the defendant Johnson. He personally handed it to me.

Earl Jackson was operating this place of business of ours on Harlem Avenue. He was present at this meeting I described. I last saw Earl Jackson about three or four weeks ago out at the Bon-Air Country Club. He was a bartender.

There was a further agreement other than the payment of \$200.00 to myself and my brother. The defendant Johnson said that he would keep us clear of any liabilities pertaining to the Harlem Stables and that he would put that in writing.

Cross-Examination by Mr. Thompson.

I was up in Mr. Elmer Johnson's office about two and a half weeks ago. I did not tell him that if they did not pay \$500.00 we were going to give the story to the newspapers. I was up there before two and a half weeks ago. There was no mention made of any price. I told him that there was a judgment pending regarding the Harlem Stables and when I first went up to him he said he would see what he could do about taking care of that. I did not tell anybody that I was going to give this story to the newspapers if they did not come through. I mentioned nothing about newspapers. I said that if they didn't pay this obligation I would publish the story.

Redirect Examination by Mr. Hurley.

The obligation that I was talking about was a man that claimed he worked for us and was injured and he had it up before the Industrial Commission and at the time
404 of the agreement that was signed there Mr. Johnson said that if that was predated two years ahead of time that we would be cleared of everything. Elmer Johnson told me that.

Government's Exhibit O-202 for identification is the doc-

ument I am referring to. The body of that instrument is in Mr. Elmer Johnson's handwriting. I saw him write that, I saw the signature Earl Jackson placed on there by Earl Jackson and the other name, Charles Kolarik. He was our bookkeeper. I saw Walter Sass place his signature on that. He was the agent for the owners of the building. That bears the date of September 12, 1934. That was placed there at the suggestion of Mr. Elmer Johnson.

The defendant William Johnson was there at that time. I don't know if he was in that conversation but that was the wording to keep us in the clear.

There were two rooms there, the front room and the dining room that this meeting took place in. The name of the employee that was suing myself and my brother was Frank Cepage. He had not been an employee of ours. He was at Riverview Ballroom back around 1934.

Recross Examination by Mr. Thompson.

I went to see Elmer Johnson about this paper that has been shown to me. This paper is a settlement with Mr. Johnson. Mr. Johnson's name doesn't appear on it anywhere. Neither does this other man's name I have mentioned that I now say had a judgment against me.

JOHN J. HAYES, called as a witness in behalf of the Government, having been first duly sworn, was examined and testified as follows:

Direct Examination by Mr. Plunkett.

My name is John J. Hayes. I live at Crown Point, 405 Indiana. I was employed at an establishment located at 4020 Ogden Avenue for about two years, 1931 and 1932, in the capacity of a skill.

Q. Who was your boss at that place?

Mr. Callaghan: Objected to; 1931 and 1932.

A. John Flanagan.

The Court: Will you connect this up?

Mr. Plunkett: It is preliminary. Yes.

The Court: Are you going to connect this up?

Mr. Plunkett: Yes, we expect to.

The Court: How?

Mr. Plunkett: (Out of the hearing of the jury.) This witness will identify various of these defendants who were working there at that time. He will identify the defendant Johnson as being there at that time. And describe the manner in which he left that place and where he went, and how he was sent from that place to another place at which he subsequently worked for some years.

The Court: Very well. On the undertaking the objection will be overruled.

The Witness: My boss was John Flanagan. Red Creighton was working there as a floor man. Reggie Mackay was there as a cashier. Jimmie Hartigan was there as box man. I see Creighton, Hartigan and Mackay in the court room. While I was employed there I have seen the defendant Johnson there. Sometimes twice in a week, and possibly three times in another week. I daresay an average of a couple of times during the period. Johnson just talked to people and occasionally talked to Flanagan.

I have seen him sitting back there at a telephone.

406 Q. Now during the time that you worked at 4020 Ogden Avenue, will you state whether or not a robbery ever occurred there?

Mr. Thompson: What? That is objected to, if the Court please.

A. Yes, sir.

The Court: What is the relevancy of that?

Mr. Plunkett: Well, it is preliminary, if the Court please.

The Court: I don't see it at all. I can't connect it.

(Out of the hearing of the Jury.)

Mr. Plunkett: The witness will testify that after the robbery the defendant Johnson came in, was called immediately over, came in and questioned the employees about it.

(In hearing of Jury.)

The Court: Objection overruled.

The Witness: It was in 1933, to the best of my recollection, I saw the defendant Mr. Johnson come in to the place twenty minutes after the robbery to talk to Flanagan and Tony Steel and two or three others. I didn't notice how long he talked to them. I was able to see his face at the time he was talking to these persons.

407 Q. Can you state whether or not the expression on his face was—with reference to the expression on his

face, what did his expression show, anger or pleasure, or what?

Mr. Thompson: I object.

Witness: A. I would say he was angry.

Mr. Thompson: I should like to object to this line of testimony.

The Court: Overruled.

Mr. Thompson: Can't have anything to do with the income of Mr. Johnson.

The Court: Overruled.

The Witness: He just stood there and talked to Flanagan and Tony Steel.

During the time I was employed at 4020 Ogden Avenue we moved a couple or three times to 2141 Crawford and the 3900 block on Ogden, and I think once in the 3700 block on Ogden, in a garage.

I left 4020 Ogden Avenue for other employment. John Flanagan sent me to Kedzie and Lawrence. This was just before Christmas in '33.

Mr. Callaghan: Objected to. Your Honor, please, as not being material to the issues in this case.

The Court: Overruled.

The Witness: John Flanagan said that inasmuch as I live over on Lawrence Avenue it will be closer for me to work at Kedzie and Lawrence. He told me to report there the next night. I did go up there the next night. I saw Tom Barnes there. It was in the Horse-Shoe Restaurant. I was employed after that. He put me to work shilling. I was shilling at 4721 Kedzie on the second floor. I worked on the Keno for a while and then I wrote sheets.

When I first went up there I didn't know anybody. 408 Barnes sent me to Connie McGrath who put me to work. I worked at the Horse-Shoe until they closed the following summer. I didn't do anything after they closed. I believe they were closed ten weeks. We opened up at 4721 again and I went back to work.

I was not always working under Barnes at that place. The last time I saw Barnes was in 1934 at Smith's Undertaking Parlors. He was dead at the time. I last saw him alive in 1934 at 4721 Kedzie. If I recall right, he was talking to Jimmie Hartigan and Bill at a desk the last night I saw him and I never saw him after that until I saw him at the undertaking parlors. That night there was a desk just inside the entrance of the room right out in

the open and Mr. Barnes and Bill Johnson and Jimmie were just sitting there talking. I saw Jimmie Hartigan almost every night after that while we were working. He was the boss. Before that, the last time where I was sure he was was when he worked at 4020 Ogden Avenue. The defendant Hartigan was the boss up there after that as long as they ran as far as I know.

I don't recall that the defendant Sommers was around when I saw the defendant Hartigan and the defendant Johnson and Tom Barnes talking at the desk.

While I was working in the Horse-Shoe we moved a couple of times. Once we moved to the 4400 block on Kedzie, once we moved in the 4300 block on Kedzie, once we moved to Lawrence Avenue and River, in a garage; once we moved out to Tessville. I believe they call it the Village of Lincolnwood now. I believe they call the place the Dev-Lin now.

To my best recollection we moved to the Dev-Lin in 1936 and stayed there four or five months. We did not move from there. I believe we closed down completely.

I was next employed after that at the Lincoln Tavern.

Jimmie Hartigan put me to work. Jimmie Hartigan 409 was working at the Lincoln Tavern as floor man. Jack Sommers seemed to be in charge of transportation. Bill Kelly was box man on a money game. Mr. Flanagan was sitting out in front of the cigar counter. He was sitting on a chair just out of the cigar counter before you went into the Casino. He shook hands with people that he knew evidently.

I have seen the defendant Johnson out there. I did not see him do anything else.

I shilled for a while at the Lincoln Tavern and wrote sheets for a while. I worked there from about Thanksgiving until the following summer, '35. They played craps, roulette, and black jack there. That did not continue all the time I was employed there. The City opened up and I stayed out there as a sheet writer on the horses. Simply running the book for a while.

George Ogran was my boss out there. I believe the only time I ever picked up a phone was when the service man went to the washroom a couple of times. That did happen.

I don't know who talked over the phone on that occasion.

After I left the Lincoln Tavern I went to 4721 Kedzie.

I don't recall the exact circumstances. I believe that Lincoln Tavern closed up. Captain Gilbert came out there and pushed things around a little bit.

I was next employed at the Horse-Shoe. I believe that time I drove a car from the Wilson Avenue L Station to Kedzie and Lawrence. Jack Sommers told me to drive the car. That was my employment. I got \$7.00 every day for driving. I was paid \$5.00 as a sheet writer. My duties driving a car was to drive customers if they wanted to go from the L Station to Kedzie and Leland.

I drove a car out at the Harlem Stables. That was in the same period of time I was talking about. Once the Horse-Shoe was running on horses only and the Stable 410 had side shows on, and if a customer wanted to play the horses, we dropped him at Kedzie and Lawrence, and if they wanted to play the side games we took them out to the Harlem Stables or dropped them there and other cars would take them out. I drove about three months at that time.

I next went to the D. and D. Club. Jack Sommers sent word by Morry Weiss that I should report to the D. and D. Club the next day. I did the following day. I did have a conversation with the defendant Sommers between that time. I had just traded the old Chev in and went \$400.00 in debt for another car because I thought I was going to be driving, and I went over and explained to Jack that I went in debt, but he told me to go to the D. and D. anyhow. I believe that time we were there only about three months.

I wrote sheet at the D. and D. At that time that was all there was. After the three months we closed down for a short time and later re-opened at the D. and D. I was a sheet writer after they re-opened, and then Bill Kelly let me work a little extra on Keno and later let me break in on dealing craps. During the time I was employed at the D. and D. I always worked at that address.

I worked at 4721 N. Kedzie when I stopped working at the D. and D. I worked twice at the Harlem Stables. I first worked there in 1937. The second time the D. and D. closed, we all moved out to Harlem Stables. I always considered Bill Kelly as my boss at the Harlem Stables the first time.

Jimmie Hartigan and Jack Sommers were working at the Harlem Stables when I was. Jack does a little of everything, floor boss, transportation boss, all around man.

Hartigan was floor man or boss. Anyway he seemed to be giving orders.

When I left the Harlem Stables I believe I went to 4721 North Kedzie and stayed there until they closed. Jimmie

Hartigan was my boss there. There were shut-downs 411 during this period. I don't recall the exact dates but when the places would open I would go back and go to work.

I was employed in Miami, Florida, in the winter of 1939. When I came back from Miami I went to see Bill Kelly at the D. and D. Club. It was the first of March, 1939. I told him I was looking for work. He said he would take care of me. I asked him for some money. He kind of laughed. He said he would take care of me. He asked me how much I wanted. I asked him for \$20.00. He kind of laughed and said that was more than he had. He did not give me the \$20.00. He gave me part of it. He got the money from Frankie Kalus. I walked up to the front with him and he put his hand in and Frankie Kalus gave him an envelope. I saw Kelly open the envelope. There was a five and ten bill in it. He took it out of a little brown envelope. I was paid with an envelope. That envelope was similar to the envelope I was paid in.

I worked at the Casino in April and May of 1939 on Saturday afternoons. I worked as a sheet writer. Larry was my boss. I will state what my duties were at the Casino. They had a lot of tickets with numbers on, and betting pads with corresponding numbers. When somebody made a bet on a horse we recorded the bet, handed the customer a ticket and took his money. The sheets used were kept in duplicate. After we recorded twenty bets or until our race got off, that is, if we recorded twenty bets, we tore the top sheet off and put the money on the top sheet and put the whole pad with the duplicate laying on it, there, and the cashier, if he was not busy, he would come down and get it; otherwise a runner picked up the money and the sheet and gave the original to the cashier and took the duplicate and put it in a box. I have never seen any duplicate sheets after I had finished the day's bets. Occasionally if we happened to close early when there was not much business, we would sort the duplicates, each 412 part that we had written, then just put a rubber band on them and lay them in the service room. Each cashier kept his originals. At Kedzie and Lawrence they

were put in a safe that was back there in the back. After I finished wrapping up these duplicate sheets I never saw them again. Occasionally I would see the original sheets. I had no particular duties in seeing them but I have seen the cashiers take them out and straighten a customer out on a bet or something of that sort. I have destroyed the original sheets while I was working at Kedzie and Lawrence at the Casino, after they had been used for the day's purpose, at the direction of George Ogren.

During the course of my employment I had duties with reference to slot machines at Kedzie and Lawrence. Occasionally I would make change for the slot machine. I believe once or twice I have made change for them at the Lincoln Tavern but nothing to do with the machines themselves.

I have never had the job of running cash between cashiers' tables and dice tables, but I have seen it done. I could explain how the dice game is played, who the persons are employed by the house and what their position is and what their duties are. I dealt crap for a couple of years. There is four dealers who work. Three of them work at a time, work forty-five minutes and fifteen minutes off, and there are two box men who sit in between the two dealers and is in charge of the game and the other one sits around. There is a platform with a stool on top of it. He sits up there watching. On one side of the table is a stick man who calls the dice. On the other side there is two dealers and a box man. The stick man is on one side of the table with the stick. He takes the dice and throws them to a customer. When the customer throws them across the string on the other side of the table he calls out the roll of the dice. If it is a point, he takes it. If it is seven or eleven, a winner, he calls it. If it is a loser he calls it. He just throws them back to the customer
413 who throws them across the string again.

There are two dealers, one at each side of the table, and the box man between. The dealer sells checks, takes the losing bets and pays the winning bets. The box man is in charge of the table to see that the stick man is calling the proper numbers, to see that the dealer is giving the proper amount of checks out, when people buy checks, and to take up the bets that are lost and properly pay the bets that are won.

If a person buys a check from a dealer he lays the money

in front of the box man who picks it up and puts it in the box. Every hour, or hour and a half, the cash runner takes the box and carries it to the cashier. When a person is finished playing and wants to cash his checks in he hands them to the dealer on either side of the table. The dealer does not have any money to pay him. He lays the checks out, the box man calls the check out, the cash runner brings the money from the cashier. In the larger places there is two men up there, one writes the ticket and one hands the money out and the money that is taken in for buying checks is put in the box that is taken to the cashier and the money that is given back when he checks the cash in comes directly from the cashier.

I have never seen the cashier's sheet made out. I have seen the blanks. The cashier's stand is higher than the floor. That is true more or less in larger places. The smaller ones are some times a little bit different. Generally in the smaller places there would be just one cashier and the floor man would carry the book and make out the ticket and send to the cashier for the money.

The ticket is simply a piece of paper perforated in the middle so that he makes it out twice, one he hands to the cash runner to go get the money, and the other one exactly the same. That is retained in that book. Any time anyone cashes in the floor man makes that record. He keeps 414 one in his book and sends the other to the cashier.

Shortly after the time I last saw Tom Barnes in 1934 I talked to Jimmie a number of times. I was working on the Keno. I was the cashier in it a good many times. At Keno intermission Jimmie would come in and sit and talk topics of the day. I recall one time we were talking about hot dice. That was in the winter of 1934. This took place at the Horse-Shoe.

Q. Will you state what the conversation was?

Mr. Thompson: We object to any such conversation way back in 1930.

Mr. Plunkett: '34.

Mr. Thompson: Well, whenever it was, it is prejudicial.

The Court: What is the materiality?

Mr. Thompson: Prejudicial and inflammatory.

(The following proceedings were had out of the hearing of the Jury:)

Mr. Plunkett: The witness will testify that the defendant Hartigan made a remark at one time he had played

dice against Bill. That was before he was working for him. That is the purpose of the testimony to show at that time he was working for him. He stated before he was working for Bill he had a little experience. We are entitled to show the condition of things in '34.

Mr. Callaghan: It is a question of whether it was a violation of the income statutes of 1936, '37 and '39. The charge of this indictment in the fifth count of the conspiracy began on or about January 1, 1936. This man, nine-tenths of his testimony has been in the year 1932, '33 and '34. 415 Now they are asking for a conversation in 1934, a conversation at a period of time long ante-dating any alleged conspiracy here.

Mr. Plunkett: The indictment charges conspiracy prior to that time.

The Court: Objection overruled.

(The following proceedings were had in the hearing of the jury:)

Mr. Plunkett: Q. Will you please state the conversation you had with the defendant Hartigan at that time?

A. Why, the dice were very hot.

Talking about hot dice, Jimmy said that, "Did I ever tell you what I did to Bill one time?"

And I said, "No, you didn't."

And he said, "Well, I was out one night. On the way home I stopped in at 4003 and the game was kind of thin. Trying to hold the game I went in to shill, to hold the game together."

He said, "I threw up a hand of 19 passes. After I got through the man quit."

So he said, "It doesn't make any difference who was shooting the dice, whether they came out of the chute; if they are hot they are hot."

Q. Did he state when--

Mr. Callaghan: I submit, if your Honor please, that demonstrates the immateriality of this testimony. It ought to be stricken.

Mr. Plunkett: If the Court will allow us to get the 416 rest of it.

The Court: Go ahead.

Mr. Plunkett: Q. Did he state when that occurrence had transpired?

A. I don't recall that he mentioned any specific time.

Q. Did he say it with reference to anything else, rather than time?

A. Yes, I believe he said that was before he was working with Bill.

Q. Do you know the Bill he was referring to?

A. I assumed it was Bill Johnson.

Mr. Thompson: I move to strike out the answer.

The Court: Strike it out.

Mr. Thompson: I move to strike all of this business about the dice being hot. I do not know what hot dice is. I am sure it has no bearing on any issue in this case.

Mr. E. Riley Campbell: It is the business we are talking about here.

The Court: The only relevancy I can see in those last few answers is that statement, that was before he worked for Bill.

Mr. Thompson: Was what?

Mr. Plunkett: May I ask the question?

Q. Do you know who was meant by Bill?

Mr. Thompson: We object.

The Court: You may answer.

The Witness: I assume he meant Bill Johnson.

417 Mr. Callaghan: I ask that that be stricken.

The Court: Q. Why did you assume?

A. Because, after all, he was called Bill so often, so much.

Q. What is the answer to my question?

A. He was called Bill so often that I just naturally assumed that he did mean Bill Johnson.

Q. Who was called Bill?

A. Mr. Bill Johnson was called Bill.

Q. The defendant Bill Johnson?

A. Yes.

Q. You were so often in your conversations you assumed this conversation was about him, is that it?

A. That is true, yes, sir.

The Court: Well, that may stand for what it is worth.

Mr. Thompson: I move to strike all of this testimony about the conversation about hot dice, or whatever it is, as inflammatory and prejudicial and as having nothing to do with the issue in this case.

The Court: I do not know what it means.

Mr. Thompson: That is the very reason I want it out.

The Court: The conversation about hot dice may go out. The statement as to the time of the conversation may stay in.

Q. What do you mean by hot dice? Do you mean dice that are performing?

A. Dice that are passing.

Q. What does passing mean?

A. When you bet and the dice hit, and hit per-
418 sistently, you say they are hot.

Q. If they are doing what you want them to do, is that it?

A. If you are betting the line, you are betting that they hit and they do hit, they are hot.

The Court: I guess I won't try to learn.

Mr. Plunkett: Cross-examine.

Mr. Thompson: Was this for or against Mr. Johnson? I forget what the conversation was.

The Court: I did not hear you.

Mr. Thompson: I say I have forgotten whether he said Mr. Johnson was winning or losing on these dice. I do not see how it is material otherwise.

Cross-Examination by Mr. Thompson.

I live in Crown Point, Indiana. I have been unemployed for some little time. I never had charge of the slot machines in Lake County, Indiana. I have done a little work since the gambling was curtailed here last September, for a lumber compay at Crown Point. I did not do any work around town or around the county.

I ran a barbecue stand before I began work in the gambling clubs, at Fort Lauderdale, Florida. I came to Chicago because of a hurricane, which blew me out of business.

I commenced working up here in Chicago for Flanagan in 1931. I done a little work for Johnnie Horan before
419 that. He got me a job with Flanagan. Johnnie Horan is a brother of Dennis Horan of the Sanitary District. I couldn't say whether Dennis Horan and Captain Gilbert of the State's Attorney's force are pretty good pals. I knew Captain Gilbert from his pictures I had seen in the papers. I was standing pretty close to him at the Lincoln Tavern, so I knew it was Captain Gilbert. Johnnie Horan drove me over and introduced me to Flanagan. When Horan asked Flanagan to give me a job he gave me one. Then I worked
420 all around town, first one place, then another, when they were operating. The places operated some times

for quite a while. I would say we worked ninety per cent of the time in one place or another. The only time I was ever in a raid was the time I spoke of, in the Lincoln Tavern, when Captain Gilbert came up here. He pushed things around considerable. He did not take me to jail. He took Claude Sullivan over to the Morton Grove Station.

I have seen many people in gambling houses. I never knew their names. They used to come in pretty regularly. I worked in gambling houses here in Chicago from 1930 to 1939. Besides those that I have named here I have seen customers in the gambling houses that come in every day and gamble place bets on horses and when I was dealing craps they would play craps, but I was not introduced to them formally. I don't know what their names are. I heard the names of a few of them. The people that played the horses played in the afternoon until six o'clock or so. The betting started when the races started and continued until the races closed about six o'clock. Both men and women came in to bet on the horses.

Some of these places were pretty nice places. These Keno games were in the evening. Women predominated. I don't know where they came from. This game Keno is some times called Bingo. I wouldn't call the persons gamblers that were playing that game. It was sort of a parlor game.

I have worked at the Keno game at Kedzie and Lawrence, the D. and D., Dev-Lin and the Harlem Stables, at different times. It was not a regular thing to have a Keno game. Every night was Ladies' Night while the Keno was running. Generally they didn't conflict with the crap because there weren't so very many Keno players. It takes a lot of room for Keno. You have to have a lot of people playing Keno to make it any game at all.

They played Keno in the same room where they played craps in the D. and D., and they did at the Dev-Lin, 421 and they did at Kedzie and Lawrence, but they did not at the Harlem Stables. They had a great big room about three times as large as this that they used to play Keno in.

I didn't consider what Jimmie Hartigan was telling me about Bill as a joke. It was just explaining to me, or trying to impress me, I imagine, that it didn't make any difference who was shooting the dice, or whether they came out of a chute, if the dice were hot they were hot. Jimmie didn't beat Bill. The way I understand he was trying to

do Bill a favor by holding the game so that it don't collapse, leave just one or two customers, and the game would break up, and he went in to try to hold the game, and he shot a couple of hot hands and the customer won a lot of money and quit. Jimmie was rolling the dice and the customer was betting on the dice and winning.

ARTHUR ATLAS, called as a witness in behalf of the Government, having been first duly sworn, was examined and testified as follows:

Direct Examination by Mr. Hurley.

My name is Arthur Atlas. I am a public accountant. I have been practising for ten years. I know William R. Johnson. I see him in the court room. I met him about five years ago in December of 1935, at the Lincoln Tavern on Milwaukee Road. I had a talk with him at that time.

Q. What did he say to you and what did you say to him?

Mr. Callaghan: Objected to as antedating the time laid in this indictment; further, not binding on the other defendants.

The Court: Overruled.

The Witness: I was introduced to Mr. Johnson. He asked me if I could install a system in the dining room and the bar that would enable them to know whether they were making or losing money each month. This system was to be installed at Lincoln Tavern. I told Mr. Johnson that, of course, I could do that. I was instructed to proceed with that. I was introduced to a Mr. Roy Love who was directly in charge of this dining room and the bar, and at the same time I was introduced to another gentleman called Mr. Ed Wait. I see him here in the court room.

I installed that system, which required several trips coming up here. All my contacts were with this Mr. Roy Love and after completing one month's work I submitted a report, and I was told to submit it to Mr. Wait.

At the time I spoke to Mr. Johnson he told me that all my dealings should be with Mr. Love and Mr. Ed Wait, so this first report was submitted to Mr. Wait. A month later another report was submitted to Mr. Wait. The second report covered January 1936. The first report covering December 1935.

Mr. Wait had nothing to do with the dining-room and the bar. He was in the other room, a large room for gambling. I was in there several times. I saw dice tables and various gambling tables there.

ROBERT THIBERT, called as a witness in behalf of the Government, having been first duly sworn, was examined and testified as follows:

Direct Examination by Mr. Plunkett.

My name is Robert Thibert. I am in the bus transportation business. I operate under National Tours, Inc. since 1936. Prior to that we were under Chartered Bus Service.

I know the defendant Jack Sommers. I first met him in December 1935 at the Lincoln Tavern, Morton Grove, Illinois. I had a conversation with him. There was an employee of the Chartered Bus Service with me. The conversation was in regard to bus transportation. Mr. 423 Sommers wanted some buses to run from Wilson and

Broadway to the Lincoln Tavern. We discussed running buses between Wilson and Broadway and Lincoln Tavern, Morton Grove. We discussed the type of equipment and the price and reached an agreement to start running buses for Mr. Sommers between Wilson and Broadway and Lincoln Tavern. We started running the buses in December. I don't remember the exact date. The buses ran from Wilson and Broadway and we stopped at Kedzie and Leland and made a pick-up there, then out to Morton Grove.

We were paid on a mileage basis in cash. I received the cash myself. Mr. Sommers paid me once or twice. Most of the time I was paid by the doorman. He would go in and get the money and pay me. We ran buses to the House of Niles from a place on Milwaukee Avenue. It was east of Irving Park Boulevard, to the House of Niles, in Niles. The arrangements were made by Mr. Sommers. He called me and asked if I could furnish transportation on the same basis. I said I could, which we did.

We started, I think, buses to the House of Niles in February 1936 and ran about two months. We ran buses to the Harlem Stables, Harlem Avenue. The bus started at Wilson and Broadway. We made a stop at Kedzie and Leland. We ran buses to the Harlem Stables at the request of Mr.

Sommers. We ran buses from 63rd and Cottage Grove to 119th and Vincennes. We performed that service at the request of Mr. Sommers, who asked me if I could furnish transportation between these two places on the same basis we had been running the other places. I told him we could and he said we should prepare to run the service.

Government's Exhibit O-203 is an account sheet we kept of revenue and expenses on the Lincoln Tavern run, which is marked "Lincoln Tavern Run".

Government's Exhibit O-204 is the same thing, expenses and revenue on the House of Niles run.

Government's Exhibit O-205 is the cash book listing the bank deposits made by National Tours, Inc.

424 It shows our receipts and expenditures during that period. They are records of our business and were kept in the usual and regular course of our business. It is regular and usual in our business to keep such records. I have prepared a summary from these records of the services that we performed that I just testified about. I can from the summary tell the exact times that we ran buses to these different places.

Mr. Thompson: If the court please, we object to any such detail as having no bearing on any issues in this case, and no proper foundation laid for such testimony.

The Court: Overruled.

The Witness: We started to run the bus to the Lincoln Tavern in December '35 and ran to approximately May 10, 1936. We ran from Wilson and Broadway to the Lincoln Tavern from December '35 to May 10, 1936. We collected approximately \$18,000.00 in this period.

Mr. Thompson: We object to any details of how much he collected. What has that got to do with this case?

The Court: Overruled.

The Witness: Then we ran buses to the Lincoln Tavern for about ten days in December 1936. We ran buses to the Lincoln Tavern in June, 1937, for four or five days. I don't have the exact number of days. We ran buses from the House of Niles in February and March of 1936, and then again in July, August and September of 1937. I have a record of the approximate amounts paid us for all the different runs. In December 1936, Lincoln Tavern, we took in approximately \$1300; in June, 1937, Lincoln Tavern, approximately \$476; the House of Niles, February 1936, \$350. In March 1936, about \$900; July 1937, \$900.

In July 1937 we were running to the House of Niles.

August, 1937, \$1100; September, '37, \$237. They all refer to the House of Niles.

We ran to Harlem Stables from Wilson and Broadway 425 way February to September, 1937. Took in approximately \$7500.

We ran to 119th and Vincennes from June to September, 1937, and took in approximately \$10,000.

That completes all of that.

We did work in 1939. I believe in January, 1939, we took in approximately \$420.00 running between Wilson and Broadway and Harlem Stables.

We were always paid in cash for all this work. We were paid in mostly tens, twenties and some fives. We did not at any time ever get one hundred dollar bills.

Mr. Thompson: We move to strike all of this testimony as in no way connected with defendant Johnson, or in any way proving or tending to prove taxable income of the defendant Johnson, or any attempt or act to evade payment of taxes on the taxable income for any of the years covered by the indictment, or any other period.

The Court: Overruled.

JOHN FRANK HARDIN, called as a witness in behalf of the Government, having been first duly sworn, was examined and testified as follows:

Direct Examination by Mr. Miller.

My name is John Frank Hardin. I am vice president and treasurer of the Vitrolite Products Company. I have been in that position since 1922. In 1939 I had occasion to do business with the Bon-Air Country Club. We put in partitions of Vitrolite, some wainscoating on the walls, toilets, also some glass in the doors. Our contract came to \$1,180.00.

We were paid at the Bon-Air Country Club in currency.

I personally received payment.

426 Mr. Thompson: We move to strike the testimony as not connected with the defendants, and as immaterial to the issues.

The Court: Motion denied.

THOMAS KEHOE, called as a witness in behalf of the Government, having been first duly sworn, was examined and testified as follows:

Direct Examination by Mr. Plunkett.

My name is Thomas Kehoe. I live at 3229 Leland Avenue. I was employed in the establishment known as the Horse-Shoe. I was first employed there about 1932. My boss was Tom Barnes. He remained as my boss until the time he got sick, two or three years later. After that Jimmie Hartigan was my boss. I checked coats at the Horse-Shoe.

We had occasion to move from there to Lincoln Tavern, Tessville, 4745 North Kedzie Avenue, and next to the fire station on Kedzie Avenue. I always went with them when the place moved with the exception of one time I got a job in a cigar store on the corner of Kedzie and Leland. I met Mr. Johnson and Mr. Sommers at the Lincoln Tavern in 1935. I asked for a job. Mr. Johnson said, "Well, you go to work at the cigar store on the corner of Kedzie and Leland". He says, "There is a cigar store on the corner. You go to work there". After Mr. Johnson said that I went to work at the cigar store. I believe I started the next morning. It was a big store. About half-way back there was a partition. There were some tables, crap tables, a meat cutter, ice box in the premises. This cigar store was used for a bus station to take the players out to Morton Grove. We had telephones in the cigar store. I had occasion to use the telephone. In the course of my duties I might have occasion to call the Lincoln Tavern and they would call me.

427 I started work there in the fall around September or October. Then I worked through the summer up until about September or October. Then I got the restaurant job.

I was cashier in the Horse-Shoe Restaurant. Mr. Sommers gave me the job. I started in the fall of 1936 and I worked all through that winter. Then about September the place closed. When the restaurant closed everything closed at that time. I would say that they were closed from September until about February. I did not do anything until about February. Then Tessville opened. I went out

to Tessville at that time. I saw Jack Sommers and Barney McGrath, out there. I stood around there for a while and walked over to Jack Sommers. He said, "You start to work tomorrow in the checkroom". So the next night I went out and went to work in the checkroom. I worked from about February all through the summer up to September.

I believe I worked at Tessville about four times. When I speak of Tessville I mean the Dev-Lin on the corner of Devon and Lincoln Avenue. There was occasion when I went out to Tessville that I did not work. I can't remember just what year it was. It may have been 1938. On that occasion when I went out there I saw Mr. Johnson and Jim Hartigan. I had a conversation with Mr. Johnson. I believe at that time there wasn't enough jobs to go around but there was somebody working in the checkroom. So he said, "Well, there is nothing right now but I will give you \$10.00 a week". So he told Jimmie Hartigan to O. K. the \$10.00. So I came in on Saturday night. I would get the \$10.00. The cashier would pay me. That is all I did when I worked at Tessville.

When I went out to the Lincoln Tavern I was cashier at the restaurant. Jack Sommers was there as one of the bosses. Jimmie Hartigan was there in the capacity of boss. I am not sure whether Ed Wait was there.

I am acquainted with Roy Love. I have known him about twelve years. I first met him at the Horse Shoe 428 Restaurant. I seen him at the Harlem Stables, Lincoln Tavern, Tessville, 4721 Kedzie and 4745 Kedzie. When I got acquainted with him he was in charge of the Horse-Shoe Restaurant. Subsequent to that, he had charge of the work around there, that is, anything to be built like platforms or anything like that.

I saw Roy Love at the Lincoln Tavern. I believe he was doing some work around the cashier's cage. He was kind of superintending a job, doing some work around there on the floor. There were some boards to be torn up or something around there. He was stringing up lights at the Dev-Lin when I saw him. I saw him helping fix or lay out some tables with one of the porters at the Harlem Stables.

I know the defendant William P. Kelly. I saw him at the D. and D., also at 4721 N. Kedzie, the Horse-Shoe. He was box man at 4721 N. Kedzie, four or five years ago.

I am acquainted with the defendant Ed Wait. I met him about 1935 at Tessville, in charge of the roulette wheels. I saw him at the Lincoln Tavern. He had charge of the wheels.

I can point out the defendant Johnson (indicating defendant Johnson).

I can point out the defendant Jack Sommers (indicating defendant Jack Sommers).

Mr. Thompson: We admit he knows who these men are.

Cross-Examination by Mr. Thompson.

I was the checkroom boy out at Lincoln Tavern in the daytime. I started about twelve and worked until eight o'clock. I couldn't say exactly how long I worked at the Lincoln Tavern. I never checked coats there. I was cashier at the bar and restaurant. I was only cashier there a short time in the daytime from twelve o'clock through the afternoon until eight o'clock. I sat at the register and rang up the cash from the bar and restaurant and made change for customers.

The help bought their lunch in the dining room and 429 I rang up their checks. They had gambling there in the afternoon, shooting craps. I saw customers shooting craps at the Lincoln Tavern in the afternoon. I didn't know the names of the people. The players ate lunch besides the crap dealers at Lincoln Tavern. I can't recall any time now of any individual that I saw shooting craps.

We served sandwiches or steak or whatever you want. Dorothy Powers worked there as a waitress. She worked during the noon hour. I don't know exactly where she lives. I know it isn't far from the place. I think she lives around Montrose and California, around that neighborhood.

I'm talking about 1935. It may have been in '36. I wasn't working there in 1930. I would say it was '36. I think it was in the spring of the year I started to work there, about April. Just worked there one month or a shorter time. I think it was only a few weeks when we moved back into the city. I was only there a short time, maybe two months, May or June, something like that. It might have been April. I know I was only cashier a short time, and that is the only thing I did there, was cashiering. It was in '36 or '37, might have been '38, I can't remember.

Somewhere between '34 and '38, and somewhere between April and June. That is about as close as I can come to it.

I believe Mr. Wait was in charge of the wheels at that time. Mr. Wait had charge of the wheels, that is, he would be standing in the center when I would see him. The wheels stretch out over a space. He would stand inside of them or would be sitting down in between the wheels. They had four or five wheels. It all depends on how much business there was. Mr. Hartigan was another one of my bosses out there. He had been there in the afternoon. I have seen him there. He would be inside of the gambling room bossing the men at the crap tables. He had charge of the dealers. They have two dealers at a crap table, one box man and one stick man.

430 I wouldn't say that Mr. Wait and Mr. Hartigan would come there to work at noon. They might work nights at times. I noticed everything that was going around, you know, and in talking to different people. I didn't talk to anyone about this case before I went on the stand. Nobody had the slightest idea of what I was going to say when I went on the stand.

ABRAHAM NECHIN, called as a witness in behalf of the Government, having been first duly sworn, was examined and testified as follows:

Direct Examination by Mr. Miller.

My name is Abraham Nechin. I am a contractor. We make structural steel and ornamental iron. I have been engaged in that business about twenty-five years.

I have known William R. Johnson for twenty-five to thirty years. I had occasion to install iron work at the Bon-Air Country Club on two or three occasions, about three or three and a half years ago, I don't know exactly. I think in '37, and then a year later. We did some work in the spring of either '38 or '39, I am not sure as to the dates. We supplied some heavy girders for remodeling the dining room and for extensions to the locker rooms.

I met an old friend, Mr. Goldberg, downtown, who told me that the Bon-Air was doing some work. That was just a few days before we got the first order in '37. I went out to the Bon-Air Country Club. I saw Mr. Goldberg.

I talked with defendant Johnson and I talked with a little fellow, I can't remember his name. That was the afternoon of one day early in '37. There were eight or ten men there besides mechanics, around. Goldberg, and a little fellow there who acted as foreman, and one fellow who was fussing around with the theatrical end of it. I can't remember his name, either. There was a steam fitting contractor and a lumber salesman. I don't know 431 his name. I know that lumber salesman very well but I don't remember his name. I saw Johnson there. We had not seen each other for over twenty years. He was glad to see me and I was glad to see him. It was not a social visit. He asked what I was doing out there and I told him I came out to get what work I could. I don't know exactly what he said but it was in the nature of the fact that there was work to be done there. I don't know the words that took place.

He was worried about a bay window looking over a golf course and he said, "Nadherny is designing a bay window there". I said, "Well if Nadherny is designing a bay window, I can't do anything about it until I talk to Nadherny".

We subsequently installed material in the Bon-Air building. We charged several thousand dollars. I don't know the exact amount. I was paid by Mr. Wait. We got some money from Mr. Nadherny. We got some money from the Lightning Construction Company.

Government's Exhibit E-99 is a sheet out of my books. That is a part of the permanent records of my company that is kept in the usual ordinary course of our business. It is customary in our business to keep such records and the entries recorded thereon were made at or about the time the transactions occurred.

Mr. Miller: We offer GOVERNMENT'S EXHIBIT E-99 in evidence.

Cross Examination by Mr. Thompson.

Bob Goldberg of the Liberty Electric Company did not tell me he was building Bon-Air. There were a dozen people out there.

I know William R. Skidmore. He was not there that day. He was there while we were doing the work. I did not talk to him about the job. I did not discuss con-

struction work with him. I saw him around there twice while I was there.

432 I did want to know something about the Lightning Construction Company, which was hiring me to do this job. I did extend credit to the Lightning Construction Company and I was paid by them for that job that was done for them. I had never met the little fellow before that I saw there. I think his name was Roy. I am not sure whether it was Love or not. I know Roy is right. He was a little fellow that leaned over to one side as though he had a defect in his physical make-up; a little bit large head for his size. He was construction foreman there.

Mr. Nadherny finally gave me my order for that job. We installed the work and got paid for it in several installments. Mr. Wait gave me the first payment, the checks from Lightning came in the mail, my brother went out and made a collection. I didn't know who paid me. And Mr. Nadherny mailed us a couple of checks.

I cannot tell by looking at Exhibit E-99 which are cash items and which are check items. We billed them on the 21st of November for \$2090.00, and I got that thousand that I know. That is in 1938. That was part of the work done in 1938. That thousand dollars was paid on December 24th. That was before the work had all been completed. I got the thousand dollars on the premises. The place was not operating at the time. They were doing construction work for the succeeding season. This was paid to me in cash by somebody there in the office.

The next item is January 7th. I wouldn't know if that was paid in cash or check. I didn't make this next collection. I made collections after the first one. I can't tell you exactly. I believe, however, I made the March collection. It was the 27th, four hundred dollars. There were several individual invoices. We show those entries all as one although the invoicing was all done on one day, the 30th of December. We billed for these items on the 30th of December. The bookkeeper just spread the amount so that he could balance the items there. They were paid on the 7th of January. They were all paid in one lump sum.

433 I don't know when the red bracket and the cross were put there. I don't know who put it there. I don't know who put that circle and the red marks there. I did not make any of these entries on this sheet. The bookkeeper takes

his invoices and enters them into the general ledger and then from the general ledger he distributes to the individual accounts. I have checked these entries with the original invoices from time to time in our regular checking over the account.

I do spot checking of our ledgers once in a while. I do not remember whether I checked this account or not. There was a credit for merchandise returned. I don't know whether it is on that sheet or not. It would be indicated as a credit. There are no credits on this sheet. The initial on the top is page eight of receivables.

Mr. Thompson: We object to the document as being cumulative of the witness' testimony; also cumulative as to other exhibits already in evidence, a duplication of some of them in amount, and covers 1938 and 1939 expenditures; furthermore immaterial to any issue in this case.

The Court: Overruled. It may be received.

(Which said document so offered was received in evidence as GOVERNMENT'S EXHIBIT E-99.)

WILLIAM J. COOTE, called as a witness on behalf of the Government, having been first duly sworn, was examined and testified as follows:

Direct Examination by Mr. Plunkett.

My name is William J. Coote. I live at Thirteenth and Michigan. I was employed at the Lincoln Tavern. It was the latter part of '37. I was employed under the name of a shill. I used to be a regular player there. I was out there every night the nights they played Keno and stud poker. Finally I thought I would have to go to work. So I made application.

434 I think I first spoke to Mr. Johnson. He said that Mr. Hartigan would attend to that. Mr. Hartigan put me to work on the roulette wheel with Boone Kelly.

I have worked at the Lincoln Tavern. I worked at the Harlem Stables, Tessville, Kedzie and Lawrence. By Tessville I mean the place we were at when they got closed up a year ago.

I always worked on the roulette wheels. Once in a while on the 21 game, but very seldom. I was mostly at the wheel.

I am acquainted with the defendant Ed Wait. He was out overseeing the wheels, I forget what house it was in; for

a short time I worked under him. Couldn't exactly say when. It was only for a short time.

I worked at the Horse-Shoe. I couldn't say exactly how long, a short time. We moved out, I think, to the Lincoln Tavern. I know we left there and went out to one of those other houses. They used to have a bus running out from Kedzie and Lawrence to the Keno game. There was a signal inside of the Horse-Shoe about that bus system. There was flashlights over the front door. When they flashed it was time for the bus to go for the Keno. The flashlight was right over the door inside of the place.

THOMAS FAHY, called as a witness on behalf of the Government, having been first duly sworn, was examined and testified as follows:

Direct Examination by Mr. Plunkett.

My name is Thomas Fahy. I live at 2249 Eastwood. I was employed at the Lincoln Tavern about three and a half years ago. Mr. Sommers hired me. He was at the Lincoln Tavern when he hired me. I worked as a shill at the Lincoln Tavern. I worked there in the day and night. When

I was working in the daytime Mr. Sommers was my boss. Mr. Hartigan was my boss in the night time. I

worked at the Lincoln Tavern about six months. At the end of the six months I went to the Horse-Shoe. I was recommended to go there. I was recommended for the Horse-Shoe by Mr. Sommers. I worked at the Horse-Shoe two months. After two months I went back to the Lincoln Tavern.

When I went back there at the Lincoln Tavern I did not have exactly a boss. Mr. Sullivan was just the floor boss. I broke in as a dealer at the Lincoln Tavern. I dealt in the daytime and night time I was a crap dealer. That is a dice game.

I believe it was about four or five months that I stayed at the Lincoln Tavern on that occasion. I went back to the Horse-Shoe. Mr. Sommers was my boss at the Horse-Shoe when I went back there. I went back there to work there at the night time. Mr. Hartigan was the boss. I just don't remember what year it was. It was about '37 I believe.

I worked at the Harlem Stables. That was after we got closed at the Horse-Shoe. I just can't tell you what time of

the year it was. It was right after we closed there. I went over to the Harlem Stables. It was right after we closed the last time. I have been referring to the Horse-Shoe. I worked at the Harlem Stables four or five months. I just don't recall how long it was. Mr. Sommers was my boss at the Harlem Stables. I worked as a dealer.

I went out to 119th Street when I left the Harlem Stables. That is a gambling house. We were closed. I was recommended to go out there for a job. Mr. Sommers and Mr. Hartigan recommended me. There wasn't any work at the other place. I shilled at 119th Street. I worked extra at the Casino, just on Saturdays. That was while I was working at the Horse-Shoe I worked there, too. That was a few years back when I was working at the Casino. I just can't say just when that was. Garrett Mead was my boss at the Casino.

I worked at the Dev-Lin. Mr. Sommers was my boss. 436 Mr. Hartigan was my boss when I worked nights. I worked at the D. and D. one day. I went over there in the evening. They needed me. I went to work. I was recommended to go there. They needed a dealer. Mr. Sommers recommended me. I dealt craps there one night.

I met the defendant William P. Kelly. He was my boss there that night. I have seen him around at different places. I saw him at the Lincoln Tavern.

I know Ed Wait very well. He was a wheel boss or something at Lincoln Tavern. That was while I was working there.

I know Reginald Mackay to see him. I do not know him very well. I have seen him at the Lincoln Tavern. I saw him at the Casino once when I was visiting there. He was not working there when I was there. He never was there when I worked that I recall.

HARVEY HARVAN, called as a witness on behalf of the Government, having been first duly sworn, was examined and testified as follows:

Direct Examination by Mr. Hurley.

My name is Harvey Harvan. I live at 4710 North Avers. I worked at a place known as the Casino Club. I worked at a place known as the Mayfair about December 1939. I never worked at the Crawford Club.

I know a man named Moody. I worked in a place where he worked. That was at the Mayfair Club. I believe I worked there in the summer of 1938. I was outside man, bringing in the customers. I would be outside, anywhere, between a mile of the club. I would approach people.

The Mayfair Club was located at 4837 Elston when I was working there in 1938. It was always at that address. I was sent there by the alderman to get my job at the 437 Mayfair. When I went over there to the Mayfair I was sent out to the Club Gar-Mea, 1934. That was located at Milwaukee and Irving. I do not know if it was ever located at any other place.

When I went over to this Club Gar-Mea, I talked to Mead. I don't know his first name. I worked there about three months. My type of work was that of a shill. When I left that employment I was outside man at the Mayfair.

I worked at the Harlem Stables. It was around July, 1939. I had been shilling at the Harlem Stables. Moody sent me up there. I don't know his first name. When Moody sent me over there he worked at the Mayfair Club. He sent me out to see Bill Kelly at the Harlem Stables. I talked to Kelly. About three or four days later he put me on as a shill. I don't know what he was doing there. He just put me on. I didn't see him doing anything around the Harlem Stables.

I did move equipment from the Club Casino to the Mayfair Club. This club is located at Milwaukee and Elston. We moved writing tables and chairs from the Casino to the Mayfair. We just put them inside when we got them over to the Mayfair. We did that at Moody's direction.

When I was working at the Mayfair Club it was a bookie joint, nothing else. I imagine the premises was the size of this room. There were horse race sheets on the wall. I worked as an outside man at this Mayfair Club from December until about around July 1939 and 1940. William P. Kelly was my boss when I was working at the Harlem Stables.

Cross-Examination by Mr. Thompson.

I first worked in a gambling house in 1934. That is when the alderman sent me to get the job. I had not worked in one before that. I was out of employment and I asked my alderman for a job and he sent me over to this Mayfair Club. He told me to see Mead. Mead was around the club for some time.

438 Moody was not in the same club. He was in the May-fair Club. Mead worked at the Club Gar-Mea. It was located at Irving Park and Milwaukee. That is the one the alderman sent me to.

Redirect Examination by Mr. Hurley.

I don't know whether this club Gar-Mea was later known as the Casino. I don't know where the Casino was located.

JOHN P. LANG, being duly sworn, testified as follows:

Direct Examination by Mr. Hurley.

I live at 512 Melrose Street. I did, in the spring of 1939, work at a place known as the Horse-Shoe. It was a gambling place. I applied for the job at the Horse-Shoe. I wrote a letter to Mr. William R. Johnson,, addressing it to 4721 Kedzie Avenue, which is the Horse-Shoe address, and two days after I mailed that letter I got a telephone call I should come down in the evening about between nine or ten and I will say at that time I was in need of money. I hadn't no work for over one full year and a married man with family. I had to do anything. So I went down—asked over the telephone first. I asked who shall I ask for and the voice said to ask for Jimmie. I said, "Jimmie who?" And, oh, just ask the doorman for Jimmie, and that was all. So I went down and asked the doorman for Jimmie.

That was at the Horse-Shoe, and turned around and Jimmie was standing right there. I found out that that was Jimmie Hartigan. Next day I started to work in the afternoon shift.

Jack Sommers was my manager at that time. The type of work I did was shilling. I worked eighteen days. That

was in 1939. I was promised a job as a draftsman

439 starting with May 1st, 1939 and on the 13th of April I had to do that work and had to go there in order to have car fare and lunch money as soon as my job starts, so more or less it was a matter of kindness to give me that job.

I worked eighteen days and it started on the 13th of April, until the last day of April '39, and the first of May I went to my regular job, which did not materialize, although it was promised to me. Nothing came out of it. The

firm closed up, and so I was up against it again. I tried to get the job back but I couldn't.

I did not at any time work under this Jimmie Hartigan that I met there that night. He was working in the night. When I went out there the first night he asked me when I wanted to work, in the night or in the daytime. I said, "I am coming here and asking for a job, for work. I leave it up to you". Then he said, "Then you start tomorrow. Be here before one o'clock noon and start in the afternoon". He said, "See Jack Sommers". He said he would be there before one o'clock. Hartigan did not say what time he himself would be there.

Cross-Examination by Mr. Thompson.

Defendants' Exhibit J-4 for identification is the letter I wrote to Mr. Johnson. That letter was written on April 11th. I was asking Mr. Johnson to see if he could get me a job.

I have known Mr. Johnson for some ten years. I knew about his places. I haven't seen him gamble. Anyway I thought he might be able to get me a job at some gambling house. I didn't know any other address to address him. I remember I looked in the telephone book. I couldn't locate Mr. Johnson's address, so I thought I write it there and he will get it. I addressed it to this gambling house known as the Horse-Shoe Club, and then there was someone 440 called me on the phone a day or two after I wrote this letter. I made an appeal for a job because I had no food for my family and no car fare to get this job that I had in prospect three weeks later. This voice that called me on the phone told me to come down and see Jimmie and I went down and Mr. Hartigan was there to meet me. He talked to me a while. He told me to come the next day and start at noon about one o'clock, at Mr. Jack Sommers. I don't know that he sent a message or wrote it on an envelope that he had in his hand.

Mr. Thompson: Mark this document as Defendants' Exhibit J-5, for identification.

Mr. Thompson: Did Mr. Hartigan have this envelope in his hand when he interviewed you there at the Horse-Shoe Club that evening?

The Witness: I have not seen that. I did not carry that envelope to Mr. Jack Sommers. I didn't know anything about that message written on that envelope, out-

side of the envelope. This is a message from J. H., to Jack, to put me to work that afternoon at one o'clock. This envelope is the same one in which my letter went to Mr. Johnson, sent registered mail.

Mr. Sommers himself did not pay me for the work there at the Horse-Shoe. We had to go to the counter and get our money every day. I went to the cashier and got paid every day. I worked here starting at one, to seven. I am a draftsman by trade. After I worked there two or three weeks the draftsman job did not materialize. These men gave me work until the last day of April. Then I quit because the next day I was supposed to have the job as draftsman. I went there and it was closed up. There was no job. I tried for one full year to get another job and, believe it or not, I could not get it. I couldn't get it in my head that my age is against me. I know it now. I could not get any work for many months, so I tried to get my job back in the Horse-Shoe out of desperation. Please
441 understand that I am not demeaning this profession.

I didn't work there again. I couldn't get it back. I sent letters. I didn't go there personally. I sent letters like this one. They came back to me. I took that registered letter and put it in another envelope and sent it again registered to the same address. It came back again. I had to give it up. One day I went there personally and saw it was locked up, closed. Then I addressed Mr. Johnson again to the same address and the letter came back. That was this last spring, 1940. I didn't see Mr. Johnson after I wrote this letter. To tell you the truth, I looked for him, I waited for him, tried to see him every day. I did that other job there but I wanted to get out of that job, and ask for something better, so I waited for him every day. I certainly wanted to thank him for helping me get the job, but I didn't see him there in the afternoon because I realized, even though it was only eighteen days' work, it was a kind of a mercy job.

GEORGE LEBBIN, called as a witness in behalf of the Government, having been first duly sworn, was examined and testified as follows:

Direct Examination by Mr. Plunkett.

My name is George Lebbin. I live at 5101 North Clark Street. I was employed in the establishment known as the Horse-Shoe. I was employed there about three years ago. I worked there as a shill. I was out of work and I made inquiries around how to get a job there. I went to see a friend of mine and he told me to see Mr. Johnson. I went in with Mr. Johnson and he spoke to Mr. Sommers, and after about fifteen minutes Mr. Sommers came over and asked me if I knew how to shill. He told me to come back tomorrow night and he hired me. I came back the following night. Mr. Sommers was my boss there at 442 night. I worked there about six or nine months. I was not at the same address all the time. I worked at the Harlem Stables for about a week. Mr. Sommers was my boss out there. I worked at the Dev-Lin. Mr. Sommers was my boss there. I worked at the D. and D. Club. Mr. Kelly was my boss at the D. and D. Club.

I know James Hartigan. I have known him just while I worked at the Horse-Shoe. He was one of the bosses there so far as I know. I saw him at the Dev-Lin in the same capacity as at the Horse-Shoe.

I was paid every night in cash while working at these places. The other employees were paid at the same time I was by a little fellow by the name of Kimmel.

Mr. Sommers sent me to the D. and D. Club. He told me I might try to get on at the D. and D. Club. I was not working at that time. The Horse-Shoe had been closed and it happened I came over there to find out, so Mr. Sommers told me I might go over to the D. and D. Club. I don't remember who I spoke to at the D. and D. Club. He was a runner there. After I waited about twenty minutes he told me to come in tomorrow night and go to work.

Cross-Examination by Mr. Thompson.

Mr. John Horan, who is now deceased about two years this October, sent me to see Mr. Johnson about getting a job. He was a brother of Dennis Horan, who was an alderman at the time. I met Mr. Johnson outside of Kedzie

and Lawrence, the Horse-Shoe. I waited there until I saw him coming in, probably about ten thirty. He was alone at the time. He came in a car. I asked one of the boys who Mr. Johnson was. They pointed him out to me. When I saw him coming in I hailed him. I told him that Johnnie Horan had sent me over, and he talked with me pleasantly. I guess he was glad to see any friend of Johnnie Horan's.

He talked to me and I told him I needed a 443 job because I had not done any work for quite a while.

He said, "Well, I will see what we can do. Come upstairs." He took me upstairs. He didn't introduce me to anybody. He walked up to Mr. Sommers. I stood back at the door. I didn't want to be too forward and walk right in. He talked with Mr. Sommers for a while and after about fifteen minutes Mr. Sommers came over and asked me if I knew how to shill, and report tomorrow night. I told him that I thought it was no more than just playing the game. I knew how to play the crap game.

I shilled there about a year. About two and a half years at the places that Mr. Sommers was operating. When Mr. Sommers would get one place closed up on him he would move out to another. He would operate the Horse-Shoe until they closed that on him. Then he would go out to the Dev-Lin and operate that. I didn't work at the House of Niles. That was before my time. I played in all these places shilling, about two and a half years all told. The same customers played at the table with me. They knew I was a shill. There wasn't anything secret about my playing as a shill for the house. These shills are used to fill in games so as to complete a game, to start games. Customers come in there, and if there are not enough to make a poker hand, then a poker shill sits in. If there isn't enough to make a crap table of people, they fill in with a few shills. If the customers come and take the places of these shills the shills back away. Everybody understands that in the gambling house.

Redirect Examination by Mr. Plunkett.

I think it was a Ford that Mr. Johnson came in the night he drove up here. I never looked. I don't know what he drives.

444 EDWARD A. LURIA, called as a witness in behalf of the Government, having been first duly sworn, was examined and testified as follows:

Direct Examination by Mr. Hurley.

My name is Edward A. Luria. I live at 22 West Van Buren Street. I worked at a place called the D. & D. in '37. I started there in the spring of the year. I got my job from William Kelly. My type of work was that of a shill until they closed. That was about three months. I went back to work there when they opened up. I guess there was an interval of about five months. I went back to work at the D. & D., working for Mr. Kelly. I worked there for about two months as a shill. I worked at the Harlem Stables last summer in 1939 in the same capacity, as a shill. I was working for the same Mr. Kelly that I worked for at the D. & D. I worked at Kedzie and Lawrence, at the Horse Shoe. That was Kelly's place, too. He was my boss. That is the same Kelly that I worked for at the D. & D. I worked there about two weeks and then I went to the Lincoln Tavern. Mr. Kelly was my boss there, the same Mr. Kelly that was at the D. & D. I got my job at the Lincoln Tavern from Mr. Kelly in '37. I always went to him. He gave me my job. I worked for him at the Lincoln Tavern. We moved some tables and chairs once from Kedzie & Lawrence into a truck. I did not know where the truck went. I came to work and all the help was moving this equipment. I pitched in and helped. That was in '37. When that equipment was moved out I changed my place of employment. I went from the Horse Shoe to the Lincoln Tavern. I do not know whether that equipment was moved from the Horse Shoe to the Lincoln Tavern.

Cross-Examination by Mr. Thompson.

445 The first place I worked in a gambling house was the D. & D. The first time I went there I was a shill. I knew what a shill was when I went there. I learned that occupation from patronizing gambling houses. I knew what one was. I have been patronizing gambling houses all my life. My business is that of a licensed pharmacist,

but I have done shilling. I have run a drug store in Chicago. I did not sell anything else besides drugs. When I worked for Kelly the first time it was in '37. He was the boss of the D. & D. I imagine he was the proprietor of the place. He ran the place. He did not greet guests at the door. He helped out at the tables if it was busy. He gave orders and told us what to do, all the employees, if it was necessary, in regards to work, stepped into the various games when they happened to be needed. Occasionally he would shift us from one game to another, but that was under subordinates of his—there were assistant managers—I would not know their names.

When Mr. Kelly's place was closed up I would not go anywhere until they re-opened. I was out of employment until Mr. Kelly re-opened the D. & D. I could not say when it closed. I do not remember the exact dates. I was out of work three months the first time, approximately from about May until about August. Then the place closed and stayed closed about seven or eight months. I did not work anywhere in that seven or eight months. I lived at 22 West Van Buren Street during that period. When the D. & D. opened again in the spring of '38 I worked there about three months. Mr. Kelly appeared to continue to be the proprietor, and then they closed again. I was out of employment. I got my next employment at the D. & D. when they opened again in January, '39. I worked there until they closed about May. Mr. Kelly appeared to be the proprietor of the D. & D. The cashier paid me—
446 he hired me each time and fixed the wages. I have not been employed since.

When the D. & D. closed I was told to go to the Harlem Stables, the last time, in May, 1939. Mr. Kelly was boss at the Harlem Stables. There was lots of straw bosses around there. Everybody is a shill's boss. A shill takes orders from every one—anything that is needed, a shill, anyone tells him what to do and he does it. That is the way I characterize Mr. Kelly, as a boss out at the Harlem Stables—because he bosses me as a shill. Mr. Kelly did the hiring at the Harlem Stables. I mean he gave me my job. There was someone else there in charge—he was my boss, that is all I know of the place. I did not see any of the rest of the defendants out there. I never saw one of them at the Harlem Stables, and I don't see any one in this courtroom that I saw at the Harlem Stables any time

I was out there, excepting Mr. Kelly. That was in the summer of 1939, about May, about three or four months, all during the summer of '39. Following that I didn't work nowhere. I have not worked since. I left town. I quit at the D. & D. in May, when they closed down completely. The total shutdown was in August or September of '39. I worked out at the Lincoln Tavern about three or four years ago. I worked for Mr. Kelly. That was not in between these operations at the D. & D. Club. These are all times they were open and run together, these periods of time run into each other. These periods of time run between the shutdowns. I worked at the Lincoln Tavern three or four weeks. Mr. Kelly was my boss there. There are other bosses in these places. I did not see any of these defendants at Lincoln Tavern when I was working out there except Mr. Kelly—none of them. I worked at the Horse Shoe. As far as I know, Mr. Kelly is proprietor there. He was the fellow that hired—he was the boss. I never saw any of the rest of these defendants around there—nobody but Mr. Kelly.

447 W. J. MASURY, called as a witness on behalf of the Government, having been first duly sworn, was examined and testified as follows:

Direct Examination by Mr. Plunkett.

My name is W. J. Masury. I live at 1215 North Dearborn Street. I was employed at the Horse Shoe, which is located at Kedzie Avenue. I was employed there last year, from February to September. Mr. Hartigan employed me. I went to see Mr. Kelly at the D. & D., and he sent me to see Mr. Hartigan, and he put me to work. I had a letter from Mr. Bauler to the D. & D., to Mr. Johnson, I believe. I gave the letter to Mr. Hartigan. I never met the defendant, William R. Johnson—I just know him casually. I worked at the Horse Shoe seven months. I worked from eight in the evening until three in the morning. Mr. Barnes was my boss there. I saw Mr. Hartigan there after he gave me my job. I believe he was employed in the capacity of night manager. I do not know who the day manager was.

Cross-Examination by Mr. Thompson.

Mr. Bauler wrote this letter. Paddy Bauler, the Alderman, wrote this letter. It was previous to going to work. I went to work February 15, 1939. Then I went to work at the Horse Shoe and worked seven months from February 15, 1939, until September, when they closed up. I have been working since, but not at that. I was working, tending bar. They have no book there. I was shilling at the crap table at the Horse Shoe. I worked seven months shilling, between there and the Dev-Lin. I left there in May and was there until September. I started on February 15th at the Horse Shoe. I was there until May. We went out to the Dev-Lin until September. Then we were all 448 through—they closed up out there. I have been unemployed until I went tending bar for four weeks. The Horse Shoe did not open up again in September in Chicago. I do not recollect the name of the man who paid me at the Horse Shoe. The same man paid me all the time. He was a cashier. Mr. Hartigan was my boss at the Horse Shoe. I have seen Mr. Sommers there—I couldn't say in what capacity. I saw him every day or so. I do not know what Mr. Hartigan was doing. He just was around there as a manager, overlooking things, I imagine—just standing around overlooking the details. He was there every night. I can't recall who was in charge of the Dev-Lin. Mr. Sommers was around there, it seems to me, but Mr. Hartigan was not there much. I can't say that Mr. Sommers was out at the Dev-Lin all the time I was there. I was working—I wasn't watching who was doing all the other things. I was pretty well occupied with my work. I might have seen Mr. Sommers around the Dev-Lin off and on, but I didn't see him there regularly. I could not say positively that he wasn't. Mr. Hartigan was not there.

MRS. FLORENCE BULGER called as a witness in behalf of the Government, having been first duly sworn, was examined and testified as follows:

Direct Examination by Mr. Miller.

My name is Mrs. Florence Bulger. I live at 5200 Blackstone. I am in the office supply business. I know William R. Johnson about six years. I did have a business transaction with him—I rented him an apartment from 1934 to

1939. It was located at 5000 East End Avenue. The rental paid ranged from \$165 to \$200. I have seen Govern-
449 ment's Exhibit E-101, for identification before. It is my memo of the rentals paid to me by Mr. Johnson. I remember definitely that he paid me \$200 per month last year—I would say \$185, the year before. I would say approximately \$165 from May, 1936 to May, 1938. I would say from May, 1934 to May, 1936, between \$165 and \$185. Mr. Johnson paid me the rental for these premises. It was a furnished five room apartment that I rented.

HARRY MEYER, called as a witness on behalf of the Government, having been first duly sworn, was examined and testified as follows:

Direct Examination by Mr. Hurley.

My name is Harry Meyer. I live at 1116 South Richmond. I worked in the Horse Shoe, gambling house. I was a shill—about four or five months in that place. That was in 1938. I think Jack Sommers was my boss there. I was out of work and went in there and asked for a job. I asked Mr. Johnson and he sent me to Mr. Sommers. He said see Sommers and I went to Mr. Sommers. I asked Sommers if he had a place for me to go to work. I was told to come back three days later, and I did, and went to work.

I worked at the D. & D. I went from the Horse Shoe over there after they were closed. They closed the Horse Shoe and sent me from the Horse Shoe to the D. & D. I am not positive, but I think it was Mr. Sommers or Mr. Barr who sent me. When I went to the D. & D. a runner put me to work over there. I saw the boys there that worked at the Horse Shoe. I worked at the D. & D. maybe four or five months, as a shill. After they closed I went to the Dev-Lin. They were closed at the Horse Shoe and I went
over there. I went there myself, maybe three weeks later.
450 I talked to McGrath at the Dev-Lin. He put me to work there. I told him that I worked at the Dearborn and Division, at night, and he says O. K. He put me to work over there. I was paid \$4 a night at these various places, paid every night. The pay man paid me. I worked at the Dev-Lin until they closed. I was in the Horse Shoe quite a few years before I went over there looking for a job.

Johnson happened to come up there, and I asked if that was him, and asked for a job—if he could put me to work. I did not know Sommers before that time. I saw him there that first night, before I talked to him. I did not notice him that night when I went up and talked to Johnson.

Cross-Examination by Mr. Thompson.

No one told me that Johnson was the man to see. I heard some one say that you might get a job up there, so I went over there. Nobody told me to see if I could find Bill Johnson to see if he could get me a job. I knew, myself, that I would have to ask somebody over there. I do not know Mr. Johnson—I did not know him when I went up there—I just heard the name—I inquired for him. He wasn't there. He came in later. I had to wait a couple of hours for him to come in. He came in about ten o'clock. I asked him if I could go to work there. He said, "You have to see Sommers". I talked to him. He told me to come back in three days. I came back and got the job. I was not working at that time. I had been out of work a year. I have a family. Off and on I was selling advertising, signs to stores. I was looking for employment at this time and I went in to find out if I could get a job at this gambling house. I had not worked at a gambling house before. I had gambled before, just in a small way. I did know how to gamble. I was shilling, mostly on the dice table. I did not shoot craps very
451 much before. I played Keno in several places in Chicago before that. I never worked in a gambling house anywhere else besides Chicago. I did not get this job from an alderman or ward committeeman. No one sent me.

JOHN A. OGREN, called as a witness on behalf of the Government, having been first duly sworn, was examined and testified as follows:

Direct Examination by Mr. Plunkett.

My name is John A. Ogren. I live at 7536 Evans Avenue. I was first employed in a gambling house in 1930, at the Horse Shoe at Kedzie and Lawrence. My duties when I was first employed there was writing sheet. I have also been employed at the Casino at Irving Park and Cicero. I was cashier on the horses at the Casino. I have been em-

ployed there for the last three years, until last October. I worked for Mr. Mackay at the Casino.

Q. Was he boss all the time that you worked there?

Mr. Thompson: We object to counsel calling for the conclusion of the witness. He says he worked for Mr. Mackay, which is an appropriate answer.

The Court: I don't know which carries the most conclusion. Objection overruled.

The Witness: I don't remember whether he was always my boss at the Casino. As far as I know he was. I was mostly employed as a cashier in the Casino. I have written sheet there. My duties were just paying the bets as they came in, tickets, winning tickets—I kept no records outside of checking my cash in and out. I had no records before me as I worked as a cashier. I had a sheet there, ticket number corresponding with the number on the sheet, and

paid the ticket out. The sheet was brought up from 452 the sheet writer. The sheet had bets registered on it when it was brought to me, and the amount of money on the sheet. I made no other notations on the sheet other than totaling the amount of the pay-out. I wrote down on it the amount I paid to each winning bet. At the end of the day, in order to check out, you have to total the sheets, the ins and outs, and when you cashed out that was all. I put a rubber band around mine and they were put on a table there. I would turn the money back to the head cashier where I received it. There was a safe there. I have helped put the money in the safe—that is in the box in the safe. I had the original sheet that I used as a cashier. The carbon copy was laying there on a table. I never had anything to do with the carbon copy. I haven't the least idea what became of them. I had made errors as cashier at the Casino. They were called to my attention by the fellow who had charge of the book there. They were called to my attention the following day. I never inquired how the fellow in charge of the book knew I had made an error. He knew I had made an error, and how he knew I do not know.

I have seen Reg Mackay in other gambling houses—I think at the House of Niles, about three years ago, I believe. I was working there at the time. He was my boss. I don't remember seeing him any place else except the House of Niles.

I don't know the defendant, Ed Wait—I have seen him. I do not know just where I saw him. I had been employed

at 4020 Club. That is some eight or nine years ago. I was employed at 3946 School Street for a very short time, if ever. I think I was there about a week. I don't know who my boss was on School Street—I think Mackay. I don't remember the date that I was employed on School Street—some two years ago. I don't know how we happened to come there. It was a big room, looked like it might have been a dance hall. It was a horse book 453 while I was working there. I was a cashier. There were two or three others. I had never been a head cashier any place over a day or so—that was at the Casino. My duties as head cashier were practically the same as any other, only that you gave the other cashiers their bank. Otherwise I don't see any difference. I didn't have any record that I made as head cashier, no more than keeping track of the money that I gave to the other cashiers. I put it on a piece of paper. I would write Jim, \$100, John \$100, and so on, for the two or three cashiers. If anything was paid out I would make a record of that. I never got the sheets the other cashiers were working on, no more than to check them in, ins and outs, money they had either lost or won—that is from each cashier. I would balance these figures. I wrote them on a piece of paper that goes with the sheets. Then it left me. The man in charge of the book looks after that part of it. The other cashiers turn their money over to me. I counted all the money. I put it in a tin box. When the day was over I put it in the safe. There was a loud speaker that announced the races at places where I worked. Sometimes I thought I knew the voice that came over the loud speaker—other times I didn't. It was not the same voice. I could probably name one voice that I thought I heard. I think it was "Skinny" Moss. That is the name I knew him by. I had talked with him on a half a dozen occasions. I thought I recognized the voice I heard from "Skinny" Moss as being the voice I heard over the loud speaker. I was working at the Casino when I heard this voice over the loud speaker. I do not know where "Skinny" Moss was when his voice was coming over the speaker.

I see Reggie Mackay that I worked for at the Casino in the courtroom (indicating the defendant Mackay).

I was employed at the Harlem Stables last summer, 1939.

Mr. Hartigan, the defendant, was my boss out there. 454 I was working at the Harlem Stables last summer, about four months. He was my boss all of the time. I

was working in the day time, writing sheet. I worked at the House of Niles about two years ago, about three months. Mr. Mackay was my boss at the House of Niles. I was cashier.

I worked at the Casino before I worked at the House of Niles, and prior to the time I worked at the Casino I had not been working for about three or four months. When the Casino closed some of the boys on the corner said they were going up to the House of Niles, so I went out there. I saw Mackay there. I asked for a job. He says he will see. I got a job. It may have been the next day. I have never done any other work except write sheets and be a cashier. I know what the Morning Line is—it is the approximate prices—it has no relation to my work. I can not name any other places at which I was employed. As cashier I just kept the one little sheet. That sheet included the other sheets from the other cashiers, that balanced the box, as you call it. That sheet was kept in duplicate. The originals went with the money box, I believe. The duplicate went with the sheets. We took the box and put it in the safe. I could not say what became of the duplicate sheets—I do not know. The duplicate sheet that I kept as head cashier was put with the duplicate sheet of the sheet writer. A rubber band was put around it and put on the table there. At one time I remember leaving these sheets with the doorman at the door. Leaving them with the doorman was not a regular custom—just this particular time I carried them there—whether it was every day I don't know. I gave them to the doorman because a fellow asked me to take them to him as I was going home—maybe he was taking them up, I don't know. Larry Bovin asked me to do that, the fellow that looked after the book. This occurred at the Casino.

455 No cross-examination.

(Witness excused.)

WILLIAM F. ROWLETT, called as a witness in behalf of the Government, having been first duly sworn, was examined and testified as follows:

Direct Examination by Mr. Plunkett.

My name is William F. Rowlett. I live at 4544 Hazel Avenue. I have been employed in gambling houses in the City of Chicago. I was first employed in '26 or '27. I have not been regularly employed since then. I am not sure that I was employed in a gambling house about 1935. I have worked at the Harlem Stables. The last time I worked there was in '39. Pete Riley was my boss at the Harlem Stables. I was rolling the roulette wheel there. I do not know how long I worked there. I know I made \$326 there. I worked there twice. I have a Social Security number—341,109,944. That is my number. I worked at the Harlem Stables in the night time. Ed Hanley was in charge of the roulette wheel out there. I know the defendant, E. H. Wait, for fifteen years. I have worked under him at the Villa Moderne. The last time I worked for him was in '39—the Villa Moderne on Skokie Valley Road, about thirty miles from here, in the town of Highland Park, near Dundee Road. The Villa Moderne is an ordinary size cafe—seats, I guess, 500 people. I rolled the wheel out there—I think there were five or six on the second floor. There is a cafe on the ground floor connected by inside stairway. There was a hazard dice game in the place while I was working there. It is played with three dice dropping through a cup. Hazard and roulette were the only two games played. I worked there the summer of 1939 and 1938.

456 I worked for Ed Wait at the Horse Shoe at Kedzie and Lawrence. He had charge of the wheels there. That is back several years—I do not know the exact number of years. I worked at the Horse Shoe just a few days only.

I worked at the Lincoln Tavern. I don't know whether Wait was the boss there or not. I worked at the Lincoln Tavern in '35 or '36 at the roulette wheel. I am not sure whether Wait was there. I was not working there very long. I cannot name any other place where I worked for Ed Wait.

I worked at the Dev-Lin, just between Chicago and Lin-

colnwood. I worked the roulette wheels there. William or Pete Kelly had charge of the wheels at that place.

I do not know that Ed Wait drew a salary while I was working at the Villa Moderne. I suppose he did. He would count the salary for the dealers all out in fives. I have seen him pay salaries out there. He has paid me. He put it in piles and told us to come and get it and we would go and get it. There was money left that was not paid to one of the employees.

I am acquainted with the defendant Hartigan. I have known him for five years. He worked at the Lincoln Tavern where I worked—no other place.

I am acquainted with the defendant Sommers. He was at the Kedzie and Lawrence, but he was not active when I was there.

I am acquainted with the defendant Flanagan. Two or three times I worked at 4020 Ogden. I was employed at the Southland Club. I worked for Creighton at the Southland Club. I did not work there very long. It must have been in '34 or '35 that I worked there. I worked at the D. & D. Club twice. Kelly was boss when I was working on the roulette wheels there. A fellow by the name of Fishman was in charge of the wheels.

I worked extra the first part of the season at the Villa Moderne. I worked part time at the D. & D. and part 457 time at the Villa Moderne. I asked Creighton for the Villa Moderne job. I worked different days of the week at each place. I did not work very long at the D. & D. Saturday and Sunday I would go out to the Villa Moderne. When I stopped work at the D. & D. I worked at the Villa Moderne all week long. I worked at night. The place was not open in the afternoon. I never did work at the Bon Air.

Cross-Examination by Mr. Hess.

My name is Rowlett. I guess it was in Cicero about '24 that I first worked on roulette wheels. I am a little hard of hearing. That has been my profession for a good many years all over the country—Miami, Palm Beach, Hot Springs, Saratoga and various other places of that type, wherever I think I can get a job where gambling is going on I take it. Generally I work in the South in the winter and drift to the North in the summer. When I was working around Chicago in the last few years I was getting

about \$10. a day at these various places I testified I was at. If I worked overtime I got \$2.00 an hour extra. I always got my pay. When I worked at the Horse Shoe I paid my Social Security. I was given a report of how much that was. That piece of paper that I referred to when the Government's attorney interrogated me is the amount of Social Security that was paid by me or on my behalf while I was working for the Harlem Stables and for Villa Moderne.

I worked at the Villa Moderne part of the summer of '38 and the summer of '39. I am sure I saw Mr. Wait there both times. I would work two or three months each summer. I was not in charge of the roulette wheels. Wait was boss of the roulette wheels. Boone Kelly was boss of the roulette wheels there part of the time. I have known him many years. He is a well-known gambler. I met him in Chicago. He was one of my roulette bosses. Fishman was my roulette boss at the D. & D. and Ed Hanley at the 458 Stables; Cliff Dewey at the Southland Club. I worked under George McRoberts at the Southern Club, St. Giles, on Sheridan Road. I worked in Cicero, '24 and '25. I did not work there in the last four or five years. I worked in Miami, Florida, in '25, rolling the wheel for Eddie Fritz, and they closed after thirty-one days, and I drifted North. I had a part time job at the D. & D. It was because I had a part time job that I would drift over to some other place and try to make my full time by working in another club. That is why I worked in these various places in the fashion I did. In order to get one of these other jobs here at the Villa Moderne I would inquire whether another place was running. I would do part time there and part time somewhere else. I was working steady at the Harlem for only two weeks. In the past two years I had part time jobs more than I had regular jobs. I never worked at Reno, Nevada, nor California. I worked in New Orleans. Mr. Wait was the main boss at the Villa Moderne. He owned the whole thing. The roulette boss was Boone Kelly. There has been several months since I have seen Mr. Wait to speak to him. It was the early part of this summer—at the Bon Air Country Club. I went out to the Bon Air Country Club to see him about two weeks ago. I did not see him.

Q. You did not see Wait, but you were told when you inquired for Wait about two weeks ago at the Bon-Air Country Club that Mr. Wait couldn't see you?

A. That was something like the conversation.

I guess it was about a week before this case went to trial. I was paid every night at the Villa Moderne—different numbers of men were employed there. Wait would pay us. The money was laid out at the wheel that I said was laid out for us. The money would be in separate piles. Sometimes he would give me a \$10. bill, and sometimes twelve, when I did a little better out there. The money would be piled in separate piles. The porter would be the 459 only one that would get \$4.00. The rest of us got the same. A ten dollar bill and two ones would be what I would call a pile. That was the pile that he told me to come and get. That is what I called my salary pile. It was never paid in silver.

WILLIAM A. SCHMIDT, called as a witness on behalf of the Government, having been first duly sworn, was examined and testified as follows:

Direct Examination by Mr. Hurley.

My name is William A. Schmidt. I live at 5627 North Miltimore Avenue. I worked for Roy Love. I first met him about a year and a half ago at the Bon Air Country Club out near Wheeling. My brother-in-law, Melvin Koop, introduced him to me. As a result of that talk I went to work at the Bon Air. I first started to put on an addition. I happened to be a bricklayer, brickwork and cement work. I worked there until they opened. The work was completed in the spring of '38. I imagine about fifteen or twenty were working in the crew with me. Love was supervising the job. Roy Love paid me in the form of cash every week. After that I went to work at Mr. Johnson's Sunny Acres farm out at Lombard. I went out there after I got through at the Bon Air. I guess it was the following week—I guess six or seven of us went to Sunny Acres farm. We put up a building out there. It was a five-room home, one story. That was East of the Main house on the farm. It was wood. I worked out there until it was completed. We did other work there. It was cement and concrete work in the barn. I also worked on the driveway and the drains. I do not know of any other construction work that I have not told you about. Love was supervising the work. I

worked at the Bon Air when they started the last 460 addition. That was the following year, in the spring of 1939. I worked there until the last of August, '39. Love was there all the time. I worked at the Northland Club. I bricked up some window openings there. That was in '39. That was around the same time they put the addition on at the Bon Air Country Club. I worked at the Northland Club about the same time—about three or four days. There were three of us there. Love sent me over there. He gave me directions what to do. I know the Northland is located up on North Clark Street, in the neighborhood of 7515. There was nobody in the building at the time we went there—it was empty. I did some work at the Harlem Stables about July, 1939. I repaired the floor out there, put in a new floor in the washroom. I guess it was one evening that I worked there. Roy Love sent me there. There was four of us that went over. There was nothing going on there when I was there. That was about three o'clock in the morning. Roy Love was about five foot, something like that. He weighs, I should judge, about one hundred and thirty-five pounds, about forty years old, dark complected. He is droop-shouldered a little, thrown forward.

Mr. Thompson: No cross examination. Move to strike all the testimony as immaterial, tending in no way to prove any amount of taxable income to Mr. Johnson.

The Court: Denied.

EARL C. SMITH, called as a witness on behalf of the Government, having been first duly sworn, was examined and testified as follows:

Direct Examination by Mr. Hurley.

My name is Earl C. Smith. I live at 2033 Sedgwick Street. I was employed at the Southland Club about March, 1939. I went there to see Mr. William P. Kelly 461 at the D. & D., and he sent me out to the Southland Club. I went out to the Southland and worked there a week and came back to see Mr. Kelly and asked him if I could go over to the D. & D. Club. I told him it was quite a ways to travel, and he said he would see what he could do about it, and I was out there the second week when I

got a notification to go to the D. & D. The notification was in a small envelope given to me by the floor manager down at the Southland Club. His first name was Solly. That is all I remember. I was a shill at the Southland. After I got this note in the envelope I took it back to Mr. Kelly and I went to work at the D. & D. I was shilling down there, too, until about June, 1939. I worked at the Harlem Stables. When the D. & D. was closed I was sent out there by Mr. Kelly, and saw Mr. Hartigan at the Harlem Stables. I told him that I worked at the D. & D. Club and if I could go to work, and I was put to work there right away, shilling. I talked to Kelly before I went to the Southland Club. He then said there wasn't any opening at the present time and he wanted to know if I would go out to the Southland Club, so I said I would, and I asked him if there would be an opening at the D. & D. he would call me back, and I waited a week or ten days and went in to see Mr. Kelly again.

Cross-Examination by Mr. Hess.

I went to the D. & D. for my first job, after I had seen the Ward Committeeman. He is the alderman, too. He sent me down to the D. & D. and told me to see Mr. Kelly, to tell him that Bauler sent me. There were no jobs there, so I went to the Southland, and after while I came back. I am unemployed now and have been for the past five months. I did some temporary work, painting and decorating, during the last five months, nothing else. I worked in a gambling house the first part of 1940. That was after 462 I worked at the Harlem Stables. That was a small book on Clark Street. I think I worked there about two months. That was not operated by Mr. Kelly or Mr. Hartigan. That was a bookie and a gambling joint of somebody else. I did not see any of these gentlemen that I see here hanging around that place. It was 2400 on Clark Street.

RAYMOND A. LEONARD, called as a witness on behalf of the Government, having been first duly sworn, was examined and testified as follows:

Direct Examination by Mr. Plunkett.

My name is Raymond A. Leonard. I live at 4424 North Maplewood. I was employed at the Casino Club in 1937 by Mr. Mackay. I had a brother who was working over there at that time and I was out of work at the time, and he asked me if I would care to come out and go to work, and he introduced me to Mr. Mackay and Mr. Mackay put me to work. I worked there approximately four or five months the first time I went out there, and then the Casino closed. I worked there once or twice, periods of time, a few months. After the Casino first closed I worked at the Stables. No one in particular sent me there. "I went out with—the boys left the Casino and went out to the Stables." I did not see anyone as I recall, in particular. Mr. Mackay was out there and he pointed me out to one of the men as being an employee of his, and it was in that way that I was put to work there. I worked at the Stables in the summer of '37, perhaps three months, as a shill. I did a small amount of dealing on craps. I worked in the day time and a few double shifts, Saturday and Monday nights. As I recall, Pete Riley was my boss during the day out there. I couldn't definitely say who was my boss in the night time when I worked there. After I left the Stables

I went to the House of Niles. I saw Mr. Mackay 463 there. He asked me if I wanted to work, and I said I did, so he told me to wait around, but in the meantime we were told to go home, that we would not work out there. The next time I worked was the following spring, a few days at the Casino, usually on Saturday, perhaps not more than five or six days, as I recall it, that summer.

I met Mr. William R. Johnson. I have had conversations with him at the D. & D. Club—I would say in the spring or summer of '39. I told him I was dismissed from the Casino Club. I asked him if there was any possibility of my going back to work. He took my name, as I recall, and told me to go back to the Casino Club. In the meantime, he would perhaps drop out there some day and would speak to Reggie Mackay. I went back there and saw Mr. Mackay.

When I asked for Mr. Mackay he told me that he had not seen Mr. Johnson. I told Mr. Mackay that I would drop back again and see him later. He said it would be a good idea to go ahead and see Mr. Johnson, "and then you can come back and let me know what he said".

Cross-Examination by Mr. Thompson.

This conversation took place with Mr. Johnson and Mr. Mackay in the spring or summer of '39. I can not at the present moment fix the time any better than that. The fact that they asked me if I had a conversation with Mr. Johnson brought the conversation to my mind. I told him that I had. I didn't fix a date. I first talked with the attorneys in April, 1940. I didn't talk to anyone prior to that time, representing the Government. I was subpoenaed to talk to the U. S. Attorney, I don't know who gave them my name. I happened to have a brother who was working at the Casino and he received a letter and my mother opened it. He happened to be out of town and I brought the letter in, and the gentleman I talked to told me to wait, 464 and he brought out a subpoena for me. One man questioned me.

I can not very well fix the conversation any better than a six months spread. I would venture to say it was approximately along about May or June, '39. I went up specifically to see Mr. Johnson, to get back working at the Casino. I had been at the Casino. The last time I went there, I worked three months. As far as I knew, I was working for Mackay up there all of the time. Mackay told me he had to dismiss me for political reasons. That was the reason he gave me. All that I was given to understand, as I recall the conversation, was that Mr. Mackay at that time, I was called to his desk and I was asked if I had a political sponsor. He said he was sorry, but he would have to leave me go for the simple reason that there were some complaints that he had men working who were not sponsored by political men. I did not know that you had to have a political sponsor to get a job in one of these gambling houses. I did not have one when I started there. I did not know who found out I did not have one. Mr. Mackay simply asked me. I told him I didn't. I had gotten my job there through my brother—I don't think he had a political sponsor. He was not working with me. He was

let out, I think, for some reason. I am not sure, because I did not inquire into his business. As far as I know, Mr. Mackay had no complaint about my work. He did not complain to me. He told me he was up against it if I did not have a political sponsor—he would have to let me go. I asked him if it would do any good to get a sponsor. He said, "Yes, go ahead. If you can get a sponsor I will be glad to put you back on". I tried to get a sponsor. I went to my alderman, I think he spells it Bauer. I am not certain. He did not give me a ticket. I went back to the Casino and I talked to Mr. Mackay. I asked him if he thought it would do any good if I went to see Mr. Johnson, to see if he could get me a sponsor or get my job back.

465 I found Mr. Johnson at the D. and D. Club. I did not find him there when I first went there. The first night I went down I waited around, perhaps from nine o'clock until midnight. I had known Mr. Johnson to see him, but I had never talked with him before. I knew by reputation that he had been gambling around Chicago for many years. I did not think he might have some political influence. I did not look at it like that, necessarily. I thought perhaps he might be able to see Mr. Mackay and through seeing Mr. Mackay he might be able to put me to work.

Q. That is his same general reputation around town; is that right?

A. As far as I am concerned, yes.

I did not know anything about Mr. Johnson's relations with Mr. Mackay. I just took a shot in the dark to see if Johnson had any influence—you might put it that way. I waited at the D. and D. for Mr. Johnson to show up, and he did not show. I went back a few nights later. After waiting for some time, I saw Mr. Johnson. I would say he showed up between eleven and twelve o'clock. He asked me why I was let out, for what reason. I told him that I had been working with Mr. Mackay since '37 and that Mr. Mackay had told me that he had no fault to find with my work, and I asked him if it would be possible for him to use his influence to get me back to work. He asked my name and told me that within a week's time or so, he would drop into the Casino. I think, as near as I can recall his words, he said to go back out and see Mr. Mackay in about a week's time—"In the meantime I probably will be stopping in there". He did not tell me what

else he was going to do in that week. He didn't just order me put back on the job out there. He talked for not more than five minutes at the most. I don't recall if any-
 466 one was with him. He came into the gambling casino there at the D. and D. Club. I did not know Mr. Johnson personally. I had to introduce myself to him. I explained that I had been working out here for Mackay for some time, since '37, and that he was letting me out only because I did not have a political sponsor. About a week passed and I went to see Mackay again. He told me that he had not seen Mr. Johnson. I told him perhaps that I would drop back later. I did not drop back for the simple reason that in the meantime the Casino closed, and there wasn't any use in going back. So Mr. Johnson did not get me back on the payroll at the Casino. That is the end of that deal.

MARTIN JEROME O'LEARY, called as a witness on behalf of the Government, having been first duly sworn, was examined and testified as follows:

Direct Examination by Mr. Hurley.

My name is Martin Jerome O'Leary. I live at 1625 East 67th Street. At one time I was employed at the Southland Club. That is 6240 something South Cottage Grove Avenue. I was a shill and a check dealer. I became a dealer by going to school they had on the first floor. The club is on the second floor. The school was a large room that was used for a storeroom for chairs, fans, cash registers, etc. There is nothing else stored, to my knowledge, in that room. I went to two sessions in that school. There was a session in the early part of the summer for two weeks, in 1938, and then in the early spring of '39. I was there for approximately three weeks. The school ran six days a week, from five o'clock in the afternoon until seven in the evening—I should say, roughly, about a dozen were in attendance at the class at this school. The gentlemen
 I went to school with were from the Southland Club.
 467 Mr. Thompson: We object to all this testimony as immaterial and tending in no way to prove the issues in this case.

The Court: Overruled.

The Witness: I should say the same number, between twelve and fifteen, were in attendance in this second session of about three weeks in 1939. The same time was consumed per session.

I know who the instructors were in that school. They were older employees of the Southland Club, one by the name of Roy Howe. The second one was one by the name of Jerry the Junker.

Q. How did you happen to go to that school, Mr. O'Leary?

Mr. Thompson: We object to that as immaterial, how he happened to go.

The Court: Overruled.

The Witness: I heard the school was in progress, so I inquired of the night manager, Mr. Kalus, if it was possible for me to go, and he said "Yes, it was." That was Mr. Kalus, the night manager of the Southland Club.

I worked at the club at 97th and Western. I worked there for a period of about three months in the summer of 1939. The Southland Club was closed and they transferred activities to Western Avenue. I was told to go out there by the day manager of the Southland—I don't know his full name. All I know him by was Solly. This fellow was a short Italian gentleman. The pay was \$4.00 a day as a shill. I got \$1.00 an hour as a dealer. On the day shift I worked until seven and on the night shift we worked from seven until closing time. I am now employed by the Carnegie, Illinois Steel Corporation. During this instruction they had two dice tables down there, and when you first went in you learned to feel the checks, getting 468 accustomed to picking them up and putting them down. By checks I mean the poker chips they played with—they were called checks. They were just like ordinary poker chips and later on, as you progressed your hands became accustomed to picking them up, and you went over to the second table, where the fellows would stand around and pretend they were customers, and they had a synthetic dice game. The same procedure was followed every evening for a period of two hours.

Mr. Thompson: We move to strike the testimony on the ground that there is no connection with Mr. Johnson, doesn't in any way tend to prove the taxable income of Mr. Johnson, or any of the other issues as made by the indictment in this case; it is outside the bill of particulars.

The Court: Overruled.

MARGARET ANDERSON, called as a witness on behalf of the Government, having been first duly sworn, was examined and testified as follows:

Direct Examination by Mr. Plunkett.

My name is Margaret Anderson. I am employed by the Hollander Storage and Moving Co., in the 3215 Lawrence Avenue branch. That is a warehouse. I have been employed there since '22. I am familiar with an account of the warehouse known as the Barnes account. As near as I remember, that account originated in about '27 or '28. I know that the Barnes, whose account was with us died in about '34. After he died we carried the name under Barnes. The only one I remember we had any dealings with in reference to that account would be Mr. Roy Love or Henry. We had dealings with Roy Love or Henry a number of years—I can't tell exactly, up 469 until about '34. We did have occasion, at the Hollander Warehouse, to receive a lot of equipment last October of 1939. Government's Exhibits, O-191 and O-192, for identification, are for rent of space for equipment that was received on this date. I do recall the circumstances of the issuance of these documents. We brought in a couple of loads—and there was another mover that brought in a couple of loads—I believe it was the Kedzie Motor. I made up these documents here. I made up Jack Sommers' Exhibit O-192 first, and that indicates the space rented as these room numbers here, and that is warehouse receipt C-4841. The next documents, Exhibit O-191, is issued in the name of James Hartigan. I made that document at the request of Jack Sommers. I had a conversation with Sommers relative to this—I can't remember the exact date—it was shortly after the goods came in. He asked me that we divide this account and make half of the bill to James Hartigan and send both bills to himself. He did not specify which half of this equipment was his and which half was Hartigan's. We have no list of what is in the storage room there. This does indicate that there was a rent of six different storerooms.

On three different occasions Sommers has paid these bills, January, April and June, both for himself and for Hartigan.

Mr. Plunkett: The Government will offer Government's Exhibits O-191 and O-192.

Mr. Thompson: Object to the exhibits on the ground that they are immaterial, tend in no way to prove any issue in this case, no connection with any of the defendants except the two named on the exhibits, and hearsay as to the others.

The Court: Overruled.

(Said instruments, so offered and received in evidence, were thereupon marked GOVERNMENT'S EXHIBITS O-191 and O-192.)

Mr. Plunkett: At this time also the Government will offer Government's Exhibits O-193, 195, 196, 197, 198, 199, O-200 and O-201, which were previously identified by Mr. Hollander as being records of his company.

Mr. Thompson: These are nothing but transfer slips. We object to them as immaterial, as tending in no way to prove any of the issues in this case, and as hearsay as to all of these defendants; none of them wrote any of these slips.

The Court: Objection overruled.

(Said instruments, so offered and received in evidence, were thereupon marked GOVERNMENT'S EXHIBITS O-193, 195, 196, 197, 198, 199, O-200 and O-201.)

IRVIN H. EHRLICH, called as a witness in behalf of the Government, having been first duly sworn, was examined and testified as follows:

Direct Examination by Mr. Plunkett.

My name is Irvin H. Ehrlich. I live at 1729 Farwell Avenue. I believe I was employed at the Lincoln Tavern in 1938. I got the job through a friend of mine. I had a note to Mr. Hartigan, asking him to put me to work. This friend of mine, Rosenthal, gave me the note. I know the defendant, William R. Johnson. I just talked to him once or twice, I believe. I talked to him out at the Harlem Stables. To the best of my recollection, it was 1939. I did not have any conversation with him prior to that. I do not know whether I ever had a note or letter from the defendant Johnson. The note was signed "Bill"—that is the only thing I know. This friend of mine gave me that note.

That is the note I gave to Mr. Hartigan. It said, "Please put bearer to work."

471 Mr. Thompson: I object to the recital of the contents of a written document.

The Court: Let it stand. Overruled.

The Witness: The best of my recollection as to what was in that note was "Please put bearer to work." I don't know exactly how it was worded. It was signed "Bill."

Mr. Thompson: We object to that as having no connection with any defendant in this case.

The Court: Overruled.

Mr. Thompson: The source of the document and the fact that it was delivered to one of these defendants does not prove anything.

The Court: Overruled.

The Witness: I was not present when that note was written.

I worked at the Harlem Stables, off and on, a year. It might have been from the end of 1938 to the end of 1939. I wasn't working at that place all of the time. We moved a few times when the place was closed. I was transferred. I started out with the Lincoln Tavern, then went over to the Harlem Stables. Nobody told me to go to the Harlem Stables. The place was closed and I went down there. I heard that other place was open. I went down there and was put to work. I shilled at the Harlem Stables. At times I had charge of slot machines. Mr. Riley was my boss at the Harlem Stables. I believe, the defendant, William P. Kelly, at times. I mean by "at times" when the other places were closed, they had several bosses. I reported at that time to Mr. Kelly. Mr. Kelly asked me to take charge of the slot machines. Mr. Riley and Mr. Sommers was there. Mr. Riley was in charge of Harlem Stables at night. Mr. Sommers seemed to be one of the bosses, but I don't know what his capacity was. I don't know all the names of the persons working at the
472 Harlem Stables. I just know them by sight or nicknames—I have forgotten most of them.

I have heard of Reginald Mackay. I don't know him personally. I don't think I would know him if I saw him. I don't believe so.

Mr. Hartigan was in charge at the Lincoln Tavern. I don't recall any one else.

I just know the defendant, John Flanagan, by name—I could not state definitely whether Sommers was out at the Lincoln Tavern when I was there.

I am now working at the I. S. Berling Printing and Lithographing Company.

I started to work in gambling houses in the fall of 1938 and ceased to work around the end of 1939. Towards the end I was just working there Friday and Saturday nights. I was working in the capacity of a shill. I believe I worked one or two days at the Casino. The other places were closed. I looked for employment. To the best of my recollection I believe the defendant Sommers pointed me out and I was told to go to work. I believe it was in 1939 when I was pointed out by Sommers at the Casino. The rest of the places were closed. I worked one night at the Casino as a shill. I don't know definitely who was in charge. Mr. Sommers, Mr. Riley and, I believe, Mr. Hartigan, were the several bosses there then. I shilled at the crap tables and sometimes roulette.

I believe I did have one conversation with the defendant Johnson at the Harlem Stables—I don't know exactly when—sometime in 1939. Nobody else was present. I asked him if I can obtain a better position. He said, "I will let you know." I didn't have any further conversation with him after that. I did not have occasion to see the defendant Johnson while I was working at these places except on the occasion I mentioned.

I was paid daily by cash when I was employed in 473 these places. That holds true of all the gambling houses at which I worked. I sometimes worked in the day time and sometimes night time. The day employees were paid sometimes in the afternoon; the night employees were paid all the way from 9 to 11 or 12—sometimes it was loose, and sometimes in just a regular Manilla pay envelope. The man who had charge of that distributed the pay while I was working there. I do not know his name. I believe he was the payroll man. When I was at Harlem Stables he paid me there. He paid me at the Lincoln Tavern. The same man did not pay me at the Lincoln Tavern. I believe Mr. Riley paid me at the Lincoln Tavern. I have named all the places at which I worked. I never was in the Horse Shoe.

Cross-Examination by Mr. Thompson.

I am a clerk in an office when I am not working at a gambling house. I have done cost accounting work. I do cost accounting with a printing company. The employment in 1938 at the Lincoln Tavern was the first employment I had in a gambling house.

I had not talked to William R. Johnson prior to the time I went to work at the Lincoln Tavern—I did not even know him. I did not know anybody named Bill at that place. Bill is a general name. I know a lot of people by the name of Bili. I know Bill Walters—several names—I can't recall them off-hand now. This note that was handed to me was in effect, "Put bearer to work." That was handed to me by William Rosenthal. He might have been called "Bill."

NATHAN COBB, called as a witness in behalf of the Government, having been first duly sworn, was examined and testified as follows:

474 *Direct Examination by Mr. Hurley.*

My name is Nathan Cobb. I worked at a place known as the Horse Shoe, located at 4721 North Kedzie Avenue. I didn't know it was a gambling house until I found out. I was what they call a shill, on all of the games, dice, bird cage, what you call chuk-a-luck, 21, blackjack, roulette. I got \$4.00 a night for shilling at the Horse Shoe, paid every night before going home, sometimes before 10 o'clock.

I was working for a gentleman by the name of Mr. Jack Sommers. I was working under Mr. James Hartigan. I found out that he was the real night boss after I worked there a couple of weeks. I worked at the Horse Shoe for eleven months straight, from the night I came in there. I started about four or five days before Decoration Day, seven years ago—'25, '36; probably eight years, 1934. I did do other work there besides working as a shill.

Examination by the Court.

It is a year and a half since I was discharged and I worked there close to five years, in and out, that is five, and two is seven—I am sure it was—well, a few days before Decoration Day in that year. Take off six and a half years from forty. That would be in the middle of '33.

Mr. Hurley continues examination:

The Witness: A part of the time I was helping running the slot machines. There were perhaps twenty-five. He used to give me and another man nickels and dimes and quarters, whatever we needed, and we would give to the customers in exchange for half dollars or currency. I worked nights sometimes from 8 until 3, sometimes from 10 or 11 until 2 or 1, as emergency, whenever they called me, I was doing that kind of work. The slot machines were emptied while I was there—once a night and 475 sometimes twice. I think the gentlemen with the name Barney McGrath emptied the machines. He got the money to make change from the cashiers on the little mezzanine floor.

I did see someone repair those machines a few times during the month that I worked there after I got acquainted with one or two of the gentlemen and found out that they were sent from the Mills factory, whatever you call it—if they were getting out of order, or for other purposes didn't work; if they worked too fast or too slow. I don't know, but I had a personal acquaintance with two of them. They opened them up many times. Sometimes they were getting out of order. They were not in charge to take money out; I know they were direct from the factory because I got to be very well acquainted with them by and by.

I know how the machines were set, ninety in favor of the house and 10 in favor of the customer. There were between 22 and 25 machines in that place.

I did work at other places besides the Horse Shoe. I did see slot machines in these other places. The next place I saw slot machines was at Tessville, re-named "Lincolnwood", I guess, later. That is also known as Dev-Lin. There were about twenty machines. I was not in charge of the slot machines at Tessville, but I went there many times in my spare time and saw customers

playing them. Once in a while I took a chance on them myself. Mr. McGrath emptied the slot machines at Tessville, but I found out it was a brother of Barney McGrath.

Q. Do you know his first name?

A. Well, I can't think about it, unless you let me see my memorandum in my pocket.

Q. That is all right. Did you see machines at any other place you worked?

The Witness: I did, at the Lincoln Tavern. I saw not less than twenty-five there. I did not work at the machines there. Mr. McGrath, the one I mentioned last, took the money out of those machines, Barney's brother. The other place that I worked I believe I did not see slot machines.

I did work at the Harlem Stables. I saw not less than twenty-five there. Pardon me, I didn't think about it. I did not work at the machines at Harlem Stables. Mr. McGrath, the one I mentioned last, took the money out of them there. I did not see these men from the Mills Company at these places I have mentioned besides the Horse Shoe.

After I worked at the Horse Shoe I next moved on Milwaukee Avenue, near the House of Niles. I was shilling at the House of Niles. I worked there about three weeks the first time.

I know the defendant, William R. Johnson. I saw him many times when I was working at the Horse Shoe. For the first eleven months that I worked I saw Mr. Johnson there about four or five nights on an average of each week. When I saw him he was acting like the head of the house. Mr. Jack Sommers, a gentleman, a friend of mine, was the manager of the House of Niles. When Sommers would not be there there was some other gentleman taking his place for a while—call it what you may. That was the defendant, Hartigan. I also recall Mr. Wait. He was in charge of the roulette wheel. I worked at his table. There were a few more gentlemen there besides those three men I have mentioned. We used to call him Shorty Bowery. I was paid \$4.00 a night, every night, at the House of Niles.

I saw the defendant Johnson at the House of Niles. I saw him probably twice a week, sometimes once a week. The first time I worked there about three weeks. I did work there once more. I worked there a few days the second time. I saw the defendant Johnson doing the same

thing, acting like the head man, as in the other places I worked, when he came into the House of Niles.

477 After I worked at the House of Niles I went back to Tessville for a while, doing the same work, shilling. When I went back to Tessville I worked a good many weeks, but not as steady as I did at first. At first I was getting four nights a week and then one of the owners took me off the night. That was the gentleman by the name of Kalus. I don't remember his first name. I was left with two nights a week, until I was looking for a remedy, how to get more nights than I did.

I asked someone out at the House of Niles for the reason why I was taken off the night or two, while others were getting full time. I may express myself that they passed the buck from one to another one, until I found it necessary to see the highest authority in there. That was Mr. Johnson himself. I did talk to Johnson about it. Before I talked to him a friend of mine that I took along talked to him first, because I had no chance to talk to Mr. Johnson. He was too busy when he was there and only stayed there a short while. Then Mr. Johnson called me. I talked to Mr. Johnson in the presence of a personal friend of mine, whom I have known for many years. I was shilling at the bird cage when somebody called me. I turned around and I saw it was Mr. Johnson, so he called me aside and asked me, "How many nights are you getting?" I told him I was getting five nights. Mr. Kalus took me off a night. I was left with four. Then he took me off another night. Then I am left with three. I didn't see the opportunity of talking to him personally. I have a friend of mine that wants to talk to him, to ask him if he will extend me the courtesy to get me back four nights a week, or maybe five. Johnson called me back and talked to me in the presence of the friend of mine that I had brought along with me that night. He was talking to my friend. He says, I didn't see why they picked on me. I am not a politician, by profession. I am running gambling houses. I have jobs here from Courtney, Pat Nash, and

Arvey and Toman and a few more, the gentlemen he 478 mentioned. This is not my profession—I am not a politician, he says. So they kept on talking to my friend. He talked to me. He left my friend alone and took me to Mr. Kalus and told him to give me five nights. Johnson said that, and then he walked back with me to this friend of mine and talked of several subjects, and the friend of mine told me that after that, in case—I

worked five nights a week after that until I was taken off two nights again. I had to see Mr. Johnson again, at this same place. It was really the same week or next week I mean. I did talk to Johnson there. He gave me another night. He says, "Sorry, it was overlooked". He gave me an additional night. He gave me back the four nights. There was nothing further said at that time.

After I left Tessville I did not go to work some other place for a while. There was no work for anybody for a while. I did, at some later time, go to work at the Harlem Stables. A few of the gentlemen were managing that place when I went over there. They were Jim Hartigan, Mr. Jack Sommers, a gentleman by the name of Mr. Kelly. I can't recollect his first name, a few more, Mr. Sullivan. I can't recollect his first name, a tall man about six feet, nice built gentleman, Sullivan; and Mr. Shorty Bowery, or Bauer, Mr. Kalus—I never did know Kalus' first name. I was shilling at the Harlem Stables in all the games except keno. I got \$4.00 a night when I worked there. It was given to me in a bank pay envelope about two and a half inches by four and a half.

I did see the defendant Johnson when we were working there at the Harlem Stables. I worked there a few months. I saw Johnson in there while I was working there about three or four times a week. He was doing the same as in the other places, acting as the highest authority while he was there. When Mr. Johnson wasn't there Mr. Hartigan acted as the highest authority. I see a good many
479 of the gentlemen that I mentioned Okay checks at these places that I worked. Mr. Hartigan, Mr. Jack Sommers and when they were not in a gentleman by the name of Tony Steele and a few more Okayed checks.

After I worked at the Stables I was sent back to the House of Niles. I worked there about two weeks. Mr. Jack Sommers was managing that place when I was working there.

I know the defendant, John Flanagan. I saw him at Tessville the first couple of times acting as a visitor, and then taking part charge if some of the bosses were not there. I did see him when he went back to Tessville.

I worked at the Casino one night. The whole city was closed, as I understood. I was standing at Kedzie and Lawrence. I found out that there was work at the Casino—I thought maybe I would take a chance. Maybe I could get a little work there, and I went down there. I worked there one night—I was shilling.

Q. Who was the manager when you were working there that night?

A. I am trying to think of his name, and somebody else.

I know the defendant Creighton. I saw him at these places many times. I saw him work at Tessville a few times. He acted more like a visitor out there. I saw him at the Stables a couple of times, just acting as a friendly visitor. I once saw him working at Tessville. He was placing men to work—those who I understood were favorites—because they would not place me for many, many nights. He wasn't doing anything else.

I know a man named Roy Love. I first met him at the Horse Shoe. He was not doing much of anything at that place, just going around and talking to people, dressed very nice most of the time. I did see him at other places. The next place I saw him was in the—downstairs, the store, about four or five doors South of the Horse Shoe.

The windows were smeared up with white chalk or 480 paint. There were fixtures, wires, fans, lamps, tables, tools, in that building. It was packed to capacity and sometimes there wasn't enough room to get in there. The tables were the kind that were used all over, the places where I worked, including tables where you sit down and pass a little time, to play pinochle or rummy, and work tables, benches. There were a lot of other persons in that store besides me and Love. Most there was that worked in the places. The city was closed then and I found out that this was the place you would find out when they will be open, where we will be sent. I used to come in there sometimes, in the daytime when I went away. I was there nights. After I stayed there an hour, half an hour, I went home, left the man in there. I did once go to work from there to one of these places. I found out that there was one place working. I went from there in the place that they were working.

I saw the defendant Johnson there once. There were probably about twenty-five men there. I had worked with them all over the places. We worked together. They were men like me, shills, dealers, box men, sometimes floor men, what you call. Johnson came in and several of the gentlemen there were talking to him separately. Mr. Roy Love asked Mr. Johnson what to do. He was standing with tools in his hands, wires, whatever it was, and in the couple of boxes like carpenter or electrical tools. He was telling Mr. Johnson what he had done, what he shall do.

I heard him say that he done some work, dug holes. They have cement blocks to make, or make the holes to put in cement blocks, and mentioned carpenter work, whatever it is, electrical work. I didn't know where this electrical work was done the first night, but I found out a few nights after where the work was done. It was in a new place where they were building, somewheres way out North. I found that they were building a beautiful place way out North. I heard the name of the place, sounded to me more like a half French name.

I saw Roy Love once in Tessville. We were closed. 481 I didn't know we were closed until I came to work, when I saw the whole place just like a riot. If I may explain it to you, everything was turned up, tables taken apart, and everybody don't work. All of us done work to help do whatever they told us to do to get things out of sight. Love was there and Mr. Jack Sommers was there, and Barre. Mr. Solomon was there and Mr. Wait came in there later, and then Mr. Johnson came in quite later—must have been about 9:00 or 9:30, the same night, and **many of the other gentlemen.**

Love was directing the crew of men what to do, and directing a big fat man, a teamster, I knew he was a teamster, I don't know his name, never did know his name, but I saw that same teamster many places moving stuff on trucks in and out. Mr. Love was giving the last order to the man. After the place was all taken apart there was some wires hanging in the ceiling after they took the fixtures out and Mr. Love says, I don't want those wires, take them clear off the ceiling, just leave one inch or two inches out, and two men steps out, up on the ladder, and they couldn't do it, and so they went down to Mr. Love, and he is a little short fellow, a little humped back, and he crawled up the high ladder very handily and cut those wires off clear to the ceiling and put tape around them.

It just happened that I walked, and Mr. Johnson came right in front of me, and, if I may explain you, he says, well, he says, it is all off. Really, he made it the way I am trying. He said, well, that is all. He didn't say anything else at that time. I stood there probably a couple hours and then I found out just as soon go home, else I would have a hard way of getting home. It was night. I left Mr. Johnson talking there to Mr. Wait. I had been there perhaps two hours or so. That was about two and a half—probably three years ago, in the summer time, or rather early in the fall—probably the early fall of '36.

Johnson was mixing with what you call the bosses
482 when I left. Mr. Jack Sommers was there, Mr. Kelly,

Mr. Hartigan, Mr. Wait and Oglesby. That is the name I couldn't mention before, a well-known figure in charge, and Mr. Love was there, as I mentioned before, in charge of men.

When I worked as a shill I sometimes got my money, from the man in charge of the shills before the Social Security started. After that they come to me wherever I was, at the tables sometimes, and tell me to go in line and pay my social security. I used to pay 4¢ a night, and the pay was handed to me. As far as I know, I paid the men that had the book, in charge of that Social Security. I did pay my Social Security every night and every place I worked before I got my envelope with my pay. You got a certain amount of money to use when you were shilling. There was a difference in that money and the money that the customer would use if he played. If it was a ten dollar bill it was stamped with a date on it. It looked like a rubber stamp in red. The minute I got to the table with that stamped money I laid the money on the table and they gave me checks for ten or for twenty dollars, or for whatever I was getting from the boss of the shills to go to the table. The one that won at a crap table and made up his mind he wants to quit and take his money he would tell to the box man or to the cashier at that table, he would move his chips in the middle of the table, then they would put the chips, most of them, in twenties, and then they would count them, and then they would say \$60 is going out. It would be sent to the runner, the one that used to come and go back and bring the \$60 to the box man. The box man would give it to the man that won the money. Most of the time the box man would holler out, \$60 going out. If a shill was playing at one of these games and he won they would say \$60, but not going out.

483 A few times we were called together at the end of the evening and told what to do. There was a shill bill lost once, the first time to my experience. Mr. Hartigan would call us together at the rear of that place. The first time it was at the Lincoln Tavern. Before we went home we were told to wait, all the shills, in the rear. We waited, and Mr. Hartigan told us, direct or indirect, I don't accuse anybody. The second or third time that one of the shill bills is lost. Next time it will happen I will fire the whole crew. That is what happened after the shill

bills was lost. Next time it will happen I will fire the whole crew. I don't know who it was. And again, I want to remind you that when you go home, or come in here, or on your way amongst yourselves, or amongst the public, if you are ever asked who you are working for, don't say that you are working for Mr. Bill Johnson, and don't discuss about it. Don't discuss anything that is going on here, not only among customers but even among yourself. Talk about something else.

The last time I worked at one of these houses was at the Horse Shoe. The last time was April the 2nd. I worked as a substitute in the Post Office. I didn't make enough money. They didn't give me enough hours. I found out they are open. I went to the Horse Shoe a couple of times and asked Mr. Jack Sommers if I could get back to work. He says, I thought you are working. I says, no. That must have been couple of days before Christmas. He said I thought you were working. He put me back to work—only instead of nights I worked there day times. January, February, March, until April the 2nd, 1939. I was discharged by Mr. Sommers. I was signalled to leave the table where I was shilling at. That was forenoon. So I left the table. When I left the rest of the shills told me that Mr. Sommers wants to see me privately in the vault, so I stepped in there.

484 In the vault Mr. Sommers told me, say, Cobb, we have been watching you for a couple of weeks, he says, and I was told that you are taking money from the table and you are putting it in your pocket, quarters. How many quarters have you got? I says about twelve or fifteen, probably seventeen. And he says, what, quarters or cents? I says, quarters. He didn't ask me where I got them and how I got them, and didn't give me a chance to tell him how I got them, I really was shocked, I was surprised. He says, let's see. I took out all the quarters I had in my pocket and showed him. He says, well, I will have to let you go. He says, we have been watching you for three weeks. I says, why, what's the matter? Well, he says, you have been stealing quarters. Without giving me a chance. I says, wouldn't you let me finish the day? He says, no, sir, as far as me and you, we are through, the only one that can take care of you now is the big boy, you will have to see him about it.

I knew very well who the big boy was. It was Mr.

William Johnson. So I walked out of the vault and he followed me. Took my top coat and went home. I stayed downstairs a few minutes and I saw Mr. Sommers go out. I first thought I will make an attempt to talk to him and explain him something, but he went away with a blind man, an old timer, personal friend of his, on the arm. He walked out and I walked north, took the street car and went home.

I saw Johnson after that. I was directed that I can see Mr. Johnson at the D. & D., that is corner of Dearborn and Division, at a certain hour of night, which he is there, I was told by well known men, just like clock work, and I went there for two nights, I didn't see him, I couldn't stay that late, but the third night I succeeded in seeing Mr.

Johnson right there. I did talk to him and when Mr. 485 Johnson came in I was the first one to go near him, because I knew else I will have no chance to talk. I says, well, I said, good evening, Chief, may I ask a little favor? He says, what do you want? I says, will you please transfer me at 4020 Ogden? He says, transfer you. Ain't you working. I says no. And before I went any further he says, well, if this is what I heard about you, he says, well, what I heard about you, and while I was talking to him about three or four men, floor men, stepped over and I says, give me a chance. I will not alibi, will you give me a chance to explain, and he says, no, and he left me, with Tony Steel, and a few more men, he was a very, very busy man, I had no chance to talk to him any more.

I know a furniture store on Lawrence Avenue. I worked there a few nights. This place next to 4721 is a big empty lot, then there is a building, then another building. Most of the time it was occupied as political headquarters. I found out they were working there. They were playing games there, so I walked up in order to get some night time work. I did get a few nights a week there. When I came in there the first man I saw was Mr. Solomon, that fifth gentleman, the nice stout like gentleman. Mr. Jack Sommers came in there after while, and Mr. Hartigan. Shorty Barre was there. In order to get work I had to be first in line. I couldn't get in. There was a lot of shills standing there. That was about 8:00 o'clock, or 7:30. Being that I am short by size, there was a lot of taller ones than me. I tried to push myself in front, until Mr. Solomon tells me, "Never mind. Just because you are a

little fellow, you think I can't see you. Stay where you belong'. At that time Mr. Solomon sent me to the table to shill. I tried to go to a school for dealers, but they wouldn't take me. The school was on the Northeast corner of Kedzie, on the first street south of Kedzie. I am trying to think of the name—there used to be a "horse shoe" 486 sign there, a luncheon. When they took the luncheon sign down there was a school there to learn how to deal. The Horse Shoe place is 4721, and this was the northeast corner of Kedzie, on the first street South of Lawrence, one block away, south of Lawrence avenue, on Kedzie, the Northeast corner.

I see the Hartigan in the courtroom that I was speaking of. I see Kelly that I have been talking about. I see John Flanagan and Sommers that I have spoken of, and the defendant Johnson, and Wait.

Cross-Examination by Mr. Thompson.

My name is Nathan Cobb. I have had that name since October 14, 1896. I was a photographer by trade or profession. I was working at my trade for many years. I was never a gambler by profession in my life. I had never considered myself a gambler until I found out that a shill is what they call a gambler's nickname, the lowest thing I ever heard in my life. I beg the Court not to be insulted or offended if I may explain it right.

I told that to my son, my daughter, and my beloved wife.

I commenced working in a gambling house about four or five days before Decoration Day in 1934.

If the Court will allow me, I have a few memorandums that I took out of one of my safety boxes which I keep. I kept them for my own reason, and if the Court will insist, I will explain why. For the reason that—for the four dollars that I needed very bad to make a living, because I lost \$35,000 in the last ten years. I had absolutely no use for such a place; it was a misery to me. I never heard such insults, nicknames, such low-called expressions in the English language since I came to this country, and I kept such memorandums in one of my boxes. A second one I also have. I didn't get to that second box yet, because I 487 couldn't get access since I lost my beloved wife. I had two safety boxes in Chicago. I wrote those memorandums that I have spoken about since the third month that I have been an honorable shill.

I first went to work at the Horse Shoe. Mr. William Skidmore gave me my job. He was not at the Horse Shoe when I was employed.

Q. Where did you see Mr. Skidmore about this job?

A. A personal friend of mine, who I have known for years long took me down there.

Doc Williams was not his name, a much more honorable gentleman than Doc Williams. His name is Mr. Clem Graver, a personal friend of mine, like a brother to me always. He took me down to see Skidmore. Personally I never met Mr. Skidmore before, but I have known him through the newspaper articles for many years in Chicago. I saw him at his place of business at 29th and Kedzie. My friend that took me down there saw him first, then spoke to him personally. He called me in. I had a short talk with him. He took a card out of one of his desks, a small sized card, wrote something on it, and stuck it in an envelope. He said, "You go there, around seven or seven thirty tonight. When you get in there ask for Jim Hartigan and they will put you to work."

While he did not close the envelope, on my way the envelope was open. The card said, "Jimmy, put this man as a shill". I didn't know what a shill was then. I didn't know what kind of work I was going to do. I was told that I could make five, six or seven bucks a night. I spoke plain English, that is the way I was told. When I got there I waited until they pointed out who Mr. Hartigan was. I gave him the card. He took the card up in that little office. He came back in a couple of minutes and took me to a gentleman by the name of Cohen, who I found out afterwards was the boss of the crew. Cohen told me to sit down, that he would tell me what to do. I sat down a good many hours for a good many nights. That is all I did for the first two or three nights. They told me to watch the men go through the tables, and from the tables, don't say anything unless they ask you, for the first two or three nights, anyhow. I didn't report to anyone after I watched these people. At three o'clock they paid me. I went home and the rest of them went home. At that time I was getting my pay from Jacob Cohen. Ten minutes to three they came with envelopes and give us our pay. Nine times out of ten it was in an envelope. The pay was four single dollars in 1934. The pay never did change for the kind of work we were doing.

After the second or third night they gave me a ten dollar bill and told me to go to the table, and he would put me near a man, that the man would tell me what to do, what to lay on the table and how much to lay, how to watch, and when to take my money off the table, or my chips off the table. I did play that night. I played dice with white half dollar chips. I did shoot dice that night a few times. I had to when it came to me. I don't remember whether I won or lost. I won many, many times—more times than I lost. I never shot craps in my life until I came there. I just told you how I happened to get the job. There were others there that didn't know, as bad as me. Then I took in every night, every night more and more. Then I was sent from one game to another. I think I became such an expert they nicknamed me the Cavalcade.

Q. When did they give you that name?

A. They gave me that name when everybody said I made six, eight, and fourteen passes, which very seldom happens. In fact I made sixteen passes. I can verify that. I didn't know anything about it any more than the man in the moon. It happened I made five or six at my game. I made an average, but I made as high as nine and fourteen. So they named me Cavalcade, for that reason. And for another reason they named me Cavalcade, when I am 489 standing, when I am running the slot machines, which was between 22 and 25 slot machines, and I figured out that each slot machine took not less than two feet and a quarter. Consequently it must have been about between fifty-five and sixty-five feet of space. The customers needed nickels, dimes and quarters and were packed so heavy, I was running so fast handing out the change so fast that I attended to those machines, and that man that I helped says, "Well, you are a real Cavalcade this time," he says.

I made mileage. When I was there so many nights, I am telling you the God's truth, my feet were some times swollen, because I worked many nights three or four hours, just running, making this 55 and 65 feet, handing around nickels, dimes and quarters.

Then I had to watch some customers. They were sticking slugs in those machines. Then I was sent on the outside for that man.

"Cavalcade, you had better stay outside."

I did find the man, caught red-handed sticking in quarters.

The punishment was, they did not let him go back to the slot machines for several weeks, and a real rich woman, a Jewish woman, too.

For many nights my feet was swollen. I made miles. He said, "You are a real Cavalcade." A fellow named John, he was a relation to one of the bosses, what you call a straw boss.

I finally learned the dice game. I had had a sponsor since then. We spoke of the two times that Mr. Kalus took me off a night or two while other fellows that were not half as much as good as me, put them in six or seven nights and overtime. I felt it was, it is not worth while for me to live at 4200 West and go to Kedzie, going to Lawrence and Kimball, and take a bus to Peterson Avenue. And then 490 walk pretty nearly a mile of the way there on the road to Tessville, or riding a bus to Lincoln, and one winter zero and sub-zero weather for six weeks, to make two nights a week.

I did have one man help me. He did help me, as a personal friend, my sponsor. That was Mr. Clem Craver, that one, that took me to Mr. Skidmore in the first place. I asked him for help. He said "Cobb, I am going to do it for you". He came out the first time about ten-thirty. It was the sponsor, the only help I had to get, was from Mr. Bill Johnson. I waited there until twelve, twelve-thirty. Mr. Johnson called me away from the table, asked me "How many nights are you working?" and I said "I was four, I had four and five. They took away a night and then another night". He said "Who did?" and I said, "Mr. Kalus". He called me away from the table—he and Mr. Clem Craver were talking a while. Before I explained for what they were talking. Then he left Mr. Clem Craver alone without a minute, took me to Mr. Kalus and said, "Give this man five nights a week." And he said, "All right." And I did get five nights a week after that through the courtesy of my friend, called a sponsor. Then I went back to Mr. Clem Craver and Mr. William Johnson. We talked a while, joked a while, a little about politics, so and so. And I was told, "The next time, if you are in need, don't bother Mr. Clem Craver any more; go to the big boy himself." And I did. I did it once more. Mr. Clem Craver said in the presence of Mr. Johnson, "Now, the next time you do not have to drag me up here. If you need anything at all go to Mr. Johnson himself." That is what Mr. Johnson told me, "Don't bother Mr. Craver at all. The next

time if anything happens, if you need anything, come to me personally." And I did, because I was short of many nights again for no reason; but Mr. Johnson helped me again. And in fact he gave me cash twice, upon the word of my honor. I told him that my honor is my religion; my word is my honor; and I paid him back. When Mr.

491 Craver was there Mr. Johnson said, in front of me,

"It is all right. I took care of him." And he says, "Well, I am not a politician by profession." He says, "I am running gambling houses. I do not see why I have Courtney's men, Kelly's men, Nash's men, Toman's men,—and he mentioned a few other gentlemen. I am not a politician by profession." And they talked a very few more words. He was a very busy man there. It was getting late, so Mr. Craver bade me goodnight and I went back to one of the games that I was given orders to go to at that time. Mr. Johnson didn't say right out in the gambling house that he was taking care of Courtney's men—he told it to me and Mr. Clem Craver—we were talking quiet, much quieter than I am talking right now—just between us. We were standing in the middle of the room. There were lots of people around—the public, players, bosses, floor men, shills, dealers and box men. I did not say that Mr. Johnson whispered this to me. Just like he would be talking normally. He said, "I am taking care of Courtney's men, Toman's men, Kelly's men, and Nash's men." He says to me "Pat Nash's men". He mentioned Brodie. He is a well-known committeeman, I think, on the Northwest side. I did not know him at that time. I do know him personally now. He also mentioned Sonnenschein.

Must I remember everything that happened with me from the day I was born? I mentioned enough names. That is all. I know he mentioned many more. I beg the Court to say I don't remember the rest of them, but he mentioned more names.

Q. Who are they?

A. Can I take a memorandum out of my pocket?

Q. Sure.

A. Gill.

Also Horan. I do not know which Horan that is. And he said some of these gentlemen from the County Com-
492 missioner's office, without mentioning the name. That is all, as far as I remember.

No one told me to keep notes of what I saw in these gambling houses. I never did report to any one what I

saw there. I never did show this memorandum to anybody until about a week ago. My sponsor was named Clem Graver. He was a West Park jobholder once and bailiff in the Municipal Court. He was a bailiff in the Municipal Court when he took me to Mr. William R. Skidmore. I did not report to him what I saw in these gambling houses. He continued to serve as a bailiff in the Municipal Court for a few years. He is not a bailiff there now. Doc Williams did not send me in to tell what I knew about this situation to the Government's attorneys or agents. I was summoned about three months ago.

I came home and my little wife told me there was a man here asking for you, and the way she explained, inside of a few minutes, he is not a plain man. "I think he is a man, perhaps from the government or from down town." That is the way she explained it to me. He left a name and address. I think it was in the afternoon of the next day I came down to this building and told them that my name was Cobb. I was told by a gentleman it would save us a trip back to your house. I don't remember his name. I only saw him once at that time. I don't remember seeing him since. When a man acts like a visitor in these gambling houses he talks to me or to you, if he knows you, and to some of the house men, floor men, some of the bosses and to the bosses in charge—just walking around, talking to people. Mr. Creighton, once in a while for three or five minutes near the little office there, talking and joking, just looking around the house. I never talked to the gentleman.

I believe the people that acted like visitors very seldom talked to me. If they did I kept away. And my orders

was not to talk to anybody, being in any of those places, if I could help it. I did listen to what went on around. I listened to all the conversations I could overhear. Many times I did not look around to see who was coming and going out of these places, but if I was facing the door I saw who come in. I sometimes wrote notes of what I heard people say in these places. I made these notes when I got home. I would write them down. I saved them, like I would the cancelled bank checks, which I have saved for the last twenty-five years. I saved these notes for seven years. I only worked for them about five years. I made notes until a day or two before I was fired. I made a note about being fired.

I said that Mr. Johnson used to come into the Horse Shoe about an average of five nights a week. He sometimes

stayed five minutes, sometimes ten, sometimes an hour or an hour and a half. I said he acted like the head man. The head man acts—I saw very many gentlemen and ladies go to the head man, talk to him. He would give them five, ten, or fifty dollars there, out of his pocket, or take it from the cashier's balcony and give it to him. I saw Mr. Johnson give people money many times, sometimes out of his pocket. Sometimes he would take it from the cashier's cage. He would just reach in and get the money and hand it to somebody. I saw him do that a good many times. I can name fifteen persons that I saw him hand money out of the cage. I will name you one—I do not know his real name, but also by nickname. I know more gentlemen by nickname. I can point him out. His name was "Cheesey", by nickname. He was a West Side Hebrew. By record he would have been worth a quarter of a million dollars if he laid off gambling for five years only. I saw this man Cheesey lose about \$50 up to \$3,500. The \$3,500 I saw him lose inside of five days. I saw him win as high as this amount and probably more inside of a real lucky week.

494 I found out that he was a professional gambler.

I saw Mr. Johnson reach in and get money out of the cage and hand it to a woman by the name of Texas Jean, or Texas Jane. She was a very independently rich woman. I heard that her father left her some ranches in Texas. She was a heavy player, a big winner and many times a big loser. That is the best description I could give for these people, Texas Jane, and Cheesey.

Q. What else did Mr. Johnson do that made him look like a head man?

A. I asked him once if he could do me a favor financially.

It was a few days before our Easter week. I told him that I am short of money. I have to meet a few bills, and if he could be kind enough to let me have some money. He did loan me some money. He took me over to the cashier's box and told the cashier there to give him \$25. and Mr. Johnson gave me the \$25. He asked me "How are you going to pay it back, in dollars?" and I said "No. I am going to pay it back to you in a lump, because I have a little income from property that I am behind on. I am going to pay it back in a lump." Which the first time I did.

I did not borrow this money from Mr. Sommers. I borrowed money from Mr. Sommers once, \$30., and gave it back. I borrowed \$25. from Mr. Hartigan, and gave him

back; I borrowed money once from Sherty Barre, and gave him back.

Q. Well, you borrowed money from anybody that would loan it to you, didn't you?

A. No, sir. I borrowed from Mr. Steele one time and gave him back the next month when I collected rent out of some of my tenants. I remember I gave him the money in quarters because a milkman of mine that was working for the Bowman dairy used to give my rent bundles of quarters, dimes. Twice a month he used to pay me the rent in quarters and dimes, one of my tenants in one of my buildings, for the past nine years. And I had quarters and dimes in my pockets many times.

Q. If you will answer the questions without talking so much we will get along faster.

A. O. K.

Q. Now, what else did you see Mr. Johnson do that made him act like a head man?

A. He talked to me once personally which I knew 100 per cent that he was the head man, talked to me personally once.

Q. Made a confidant out of you, I suppose?

A. I didn't hear you.

Q. He got confidential with you, did he?

A. I don't know. It is a little joke he had.

Q. A little joke?

A. A couple of times after that—it sounds like a fairy tale—if the Court will permit me. I had private conversations—not private—with Mr. William Johnson, which is he got a kick out of it, I think. So did I.

Q. Well, did you do any work while you were around these places?

A. Sometimes I sat an hour and a half or two hours waiting until they will give me a signal where to go and do my work.

Q. While you were sitting you kept your eyes and ears open, didn't you?

A. I had many opportunities to see and keep my eyes open what was going on in the inside little office where the bosses was, private business, and nobody else has right to go in there.

Q. You could see from the point where you were sitting what was going on in the office?

A. Yes, because there was a long bench, if I had no place to sit where the shills were sitting, we were per-

496 mitted in emergency to sit on a shorter bench, which was right near the entrance to the private door of the office.

Q. Did this go on in all these places where you worked?

A. What do you mean?

Q. Are you talking about all the different places you worked now or just some different places?

A. Well, in another place or two I had opportunity of being right close to the office, yes, sir.

Q. Now, the Horse-Shoe, how long did you work there the first time?

A. Eleven months without a stop, until Christmas eve.

Q. Christmas Eve, what year?

A. Well, I worked through a whole winter and a whole summer. I started, as I told you, a few days before Decoration Day. I worked the whole winter and whole summer and the fall until the night before Christmas. When I came to my work I couldn't get in and I told you I was told the place was closed.

Q. What year was that?

A. 1937.

Q. 1937?

A. '37—I believe in '36.

Q. 1936?

A. Yes.

Q. You worked at the Horse-Shoe?

A. At the end of 1935, of Christmas Eve, yes.

Q. You worked at the Horse-Shoe continuously from May, 1934?

A. For eleven months.

Q. Until Christmas, 1935?

A. Christmas Eve.

497 Q. That was eleven months, is that right?

A. Well, I worked eleven months until Christmas Eve.

I said the slot machines were set to pay 90 percent to the house and 10 percent to the customers. I knew that by my experience and by the conversations that I heard
498 from customers that played them for years along and by housemen which told me once, what are you doing, throwing your nickels and dimes there, you chump, don't you know these machines are set for a return of 10 per cent, and by customers. They kept on playing although they knew that it only paid one to ten. With the exception of one night I saw a woman come in there with a boy I

would judge wasn't over nineteen, I gave the woman that night not less than \$14 worth of nickels, and I heard her say, well, we will get the jackpot. She didn't win the jackpot and then she complained to Mr. Hartigan. I believe she called him over. And he says, well, you can sometimes throw in three nickels and win the jackpot and sometimes you don't, and she said, I put in close to \$14, and she wanted a dollar, or three, or maybe five, back, and I don't know if they gave her or not. I was very busy tending to the machines.

Men came from the Mills Novelty Co. to repair machines when they got out of order, fix or set the machines, as I know. I know a little about the mechanical construction of slot machines. It can be changed after it is manufactured and sent out by the manufacturer. I never worked in a slot machine factory. Mills Novelty Co. are the manufacturers of slot machines and coin vending machines and other coin machines. I saw their name on it. These men came to service these machines as often as they had to come. They came to me from the office and to the men working with me. Sometimes a machine would get stuffed, stuck, and wouldn't work and they would fix it so it would work.

I went to work at the Lincoln Tavern in the fall of 1936. I worked there all winter. I finished working there when we closed in the spring. We were closed at the Horse Shoe about the end of April. I stayed home until they opened. I found out that some of the places was open. I was staying around Kedzie and Lawrence with the rest of them until we found out. One of the bosses of the shills told me to go to Tessville. I went to work at Tessville late 499 in the spring of '36. I worked there all summer. The

Horse Shoe was not operating while the Lincoln Tavern was operating, not while I worked there. The Horse Shoe was not operating while the Dev-Lin was operating in Tessville. The Lincoln Tavern was not operating, that I know of, while I was working at the Dev-Lin. The slot machines were not at the Lincoln Tavern all the time I worked there. They were taken out once for a week or two.

Q. Were slot machines operating at the Dev Lin Inn while you were working there?

A. No, sir, not at this time, but I believe they did for a while.

Q. Well, did they, or didn't they?

A. Well, then, I will say "No". If it is in doubt, I will say "No".

I went home for a few weeks after the Dev-Lin closed. Then I started working out North, on Milwaukee avenue, called the House of Niles. I worked there the first time about three weeks in the middle of the summer of '36. I was not working there at the same time I was working at the Dev-Lin—everything was closed. I could not work in the Dev-Lin. As far as I know everything was closed.

I worked at the Lincoln Tavern in the summer of 1936. That was later, after they closed the House of Niles.

I worked at the House of Niles during the summer months, in 1936.

I started to work at the Lincoln Tavern in the fall of 1936 and worked there through that winter. That was in '37. I would say the Horse Shoe did not operate in the winter of '37, so far as I know. I didn't go directly from the House of Niles to the Lincoln Tavern. I was not working in the meantime—I was at Kedzie and Lawrence. I

saw one of my bosses, and he told me to go to Lincoln 500 Tavern, and I went there and they gave me my job back. That was the winter of 1937. I worked there all the winter of '37.

Mr. Cohen used to bring the envelopes to pay the shills at the Horse Shoe. After Cohen left the next boss of the shills paid us also in envelopes. It was either a brother or brother-in-law of Mr. Love. His name is Irving. After Irving became dealer all the different bosses of the shills paid me. Tommy paid me. Mr. Jacob Cohen paid me part of the time at the Lincoln Tavern. The next boss of the shills paid me after that. There wasn't any regular paymaster until we got our Social Security cards. The boss of the shills paid me at the Dev-Lin, until the Social Security came in, at the end of 1938.

My doctor hasn't told me that my mind was impaired, but I am under his care since my wife died. I have not been under treatment for a mental condition.

When we were moving out of the Dev-Lin Mr. Johnson came out there that night. He arrived probably 9:00 o'clock. I saw him around that place for not less than a half an hour, and then I left. He did not help load the trucks. All he did when he went by me was to shrug his shoulders and say, "It is all off", or something like that. He did not talk to me about his problems and troubles except what I said.

Q. This Mr. Oglesby you spoke about, who was he?

A. Once upon a time, he was my boss, big enough to hire me and fire me, because I was three minutes late. I had to walk pretty near a mile after I left the bus, so I was three minutes late, and he said, "Well, you had better stay home for two days." I tried to explain, but he wouldn't let me.

Q. Mr. Oglesby did that to you?

A. Yes.

Q. You don't know what his name is, do you?

A. Well, his name is Oglesby. I think that is his second name.

501 Q. Where does he live?

A. I don't know where he lives.

Q. What is his telephone number?

A. Except the telephone numbers of the boss of the shills, I ain't got any telephone or information, but I have addresses, which I have mailed to them from Hot Springs, Arkansas, last winter.

Q. You say some well known man told you when you could see Mr. Johnson up at the D and D Club. When was that?

A. I will tell you. Mr. Johnson's private chauffeur told me that he used to go with Mr. Johnson to a certain well known downtown club house. I don't know his name, but I will tell you who he is if I will see him. He is very well known.

Q. He was well known, but you don't know what his name was?

A. He became my personal friend. I knew him—met him at 4020 Ogden.

Q. Well, this well known man you are talking about, you don't know his name?

A. No, I don't know his name.

Q. Who was he well known to?

A. He was well known, because he was known to everybody; what you call an old timer. He told me he was Mr. Johnson's private chauffeur, for a while, when I met him as a dealer at 4020 Ogden.

Mr. Thompson: All right.

Q. What about this political headquarters that was turned into a gambling house? Where was that located?

A. This was located between the Horse-Shoe and the corner of Lawrence. In the days they were closed, that was

a stool pigeon place, but that place in there was not a stool pigeon place, because I couldn't tell from the iron doors.

502 Q. What is this stool pigeon place?

A. I worked at a stool pigeon place.

Q. How long?

A. Well, until what you call the stool pigeon—you move in inside of two hours, and there is no door, no iron door, or nothing, and they don't search your pockets, and you can look inside, not the kind of a place where you can look from the outside in. That is what I call a stool pigeon place. That place was not a stool pigeon place, but judging by the steel and iron doors that we opened to admit a customer or admit different shills, until it was—since then it became a political headquarters, ward headquarters. Downstairs used to be a furniture store.

Q. That is what you call a stool pigeon place?

A. That is a permanent place, where we work the stool pigeons, because you only work a few nights, then they are out again.

Q. How long did you work at this stool pigeon place?

A. I was not working at this stool pigeon place, no, sir, but the place I worked there—

Q. When you went up to this place you are talking about, where the doors were packed with shills trying to get in to get jobs, and you couldn't make yourself seen; is that right?

A. Yes, that is the place that after I had an opportunity to get in, because a man by the name of Goldberg was at the door, and he looked at me and said, "Well, go ahead, but there are too damned many in there right now."

Q. Who was Goldberg?

A. Goldberg was the man at the iron door when the door was opened.

503 Q. What was his first name?

A. Why do you ask this? His name was Goldberg, six-footer, real fat, handsome man.

Q. Well, what was his first name?

A. I don't know.

Q. Did he occupy an official position in this town?

A. In this town, no.

Q. Did he have any political job?

A. Not that I know, but he was a doorman, in the rear of one of these iron doors in the Horse-Shoe and in another place.

Q. Were there iron doors in this political headquarters?

A. Yes, sir, so I knew that this was a place—a permanent place, but I didn't mean "stool pigeon", but a sneak-in place.

Q. What is a sneak-in place?

A. A sneak-in for two nights, and then thrown out; had to sneak out.

Q. I know, but a stool pigeon place and a sneak-in place—

A. Pardon me. I meant to say "sneak" place. If I can explain it right to the Court.

Q. This was not a sneak-in place?

A. Not according to the iron doors, not according to the way they searched customers; searched me and all of the rest of us.

Q. Searched you when you went into this place?

A. Yes.

Q. Why?

A. I used to carry my lunch with me in a bundle. I had a hard boiled egg and a piece of matzos. They wanted to know—Mr. Goldberg wanted to know what I had in my bundle. I opened it. I had a hard boiled egg, a tomato, and a piece of matzos. They searched me.

504 Q. Searched you every night?

A. Searched me every night I worked in there, and in the Horse-Shoe every night for many months.

Q. Did they search you when you went out?

A. No, sir.

Q. You got up to this place where the people were so big you were scared that you would not be seen, but you were told that you would be seen notwithstanding that you were not very big; is that right.

A. I followed Mr. Sullivan—

Q. Mr. Sullivan?

A. Mr. Sullivan was the one running that place. When he came in, I followed him, and that is the time that remark was made. I walked inside, and there was two lines of shills standing in the middle of the room.

Q. Then you walked in and went to work?

A. No, sir. They were taking out shills and going to put them at tables. I saw them pick out sixteen or eighteen and not pick me, so I kept pushing, and Sullivan is the one that told me, "You don't need to push yourself because you are little". He says, "I will put you to work", and he did.

Q. How could you tell a shill from a customer?

A. We worked together there in the place. A few shills I didn't know so well for a week or so, until we worked, maybe two or three weeks.

I have not worked in gambling houses since I was fired in April, 1939. I have been to Kedzie and Lawrence 505 twice—that was before I went away to Hot Springs,

Arkansas, the second week in January. I thought I will meet there a man who used to be in charge, one of the bosses, straw bosses. I had something to tell him. They were not open. I went to Hot Springs by orders of my doctor. I have been going to Florida for the past thirty years, but never saw a gambling house—never was inside one. We had a place five doors South of 4721. During the time the city was closed we used to congregate to hear the news and when they will open, if they will open. Some of us 506 went there. I was told to go there and watch for Mr.

Bill Johnson and get money there, may be from ten to fifty. Bill's was a wonderful reputation. It was not hard to hit him for ten or fifty or twenty-five—he gave me. God bless him, as far as that goes.

Many people were in this meeting place when Mr. Johnson arrived. I went there to find out when I was going to get a job, when the gambling house was going to open. I found them there waiting for Mr. Bill Johnson. I heard he was due there. My friends told me they were waiting because they are broke. They are going to get money in. One of them didn't succeed, and I met him near McGrath's house. He said McGrath would give him money because he could not succeed, and I missed Mr. William Johnson. Mr. Johnson did not give me any money that night. It was in the winter of '38, when everything was closed, that Johnson met the fifty men in Roy Love's warehouse. It was late in the fall or early winter—I can't say the month. It must have been November. That is right, it was November, 1938. It was on a week day, at night. He arrived, probably 9:30 or 10:00 o'clock. While I was there he stayed five minutes. I left when Mr. Johnson came inside of five minutes. It was getting late, and I had a long ride home. I came in alone at that time. The room was packed when he arrived. Mr. Sullivan was there and Mr. Goldberg. I do not know Sullivan's first name. I do not know Goldberg's first name.

William Bush was there. Roy Love was there. His brother-in-law or brother, Isadore was there. Out of the house full of people I can only remember five by name. Mr. Johnson did not say anything, only "Hello".

MIKE KOENIG, called as a witness on behalf of the Government, having been first duly sworn, was examined and testified as follows:

Direct Examination by Mr. Plunkett.

My name is Mike Koenig. I live at 2157 West Wal-
507 ton Street. I am employed at 4715 Irving Park Boule-
vard, in the Portage Park Bank Building. Govern-
ment's Exhibit O-6 and O-9 are the pictures of our building
where I worked. Exhibit O-6 is the Milwaukee Avenue
side. Exhibit O-7 is the Irving Park Side. I have been
employed there three years, doing janitor work. I am ac-
quainted with a club that was located in that building,
known as the Casino Club. It was opened after I was there.
I have been in that place. It was located on the first floor
of the building. I could not exactly say the number of
times I was in there. I met someone that I came to know
in that place—I think he was the manager or owner. I do
not know his name. I knew him by the name of Reg.

Government's Exhibit O-206 is the room I came to know
as the Casino Club. I oiled the fans and motors, dish
washing machine and water cooler in the place. There
was a place in the same building on the second floor, known
as the Legion Hall. It was there when I first started
working there. On the second floor of the Milwaukee Ave-
nue side the length of the room would be the width of this
room and about twenty or twenty five feet wide. It did
not remain a Legion Hall all the time I worked there.
Another party rented it. I was in there after the other
party rented it I saw tables and chairs. The ordinary tele-
phones in there. There were switches on the tables in
connection with the telephone. It was divided into two
small rooms. On one table there was a machine that looked
like a typewriter. It looked about two feet wide and a
foot and a half high. There was a microphone in that
same room. I met Joe, Don and Skinny in that room. There
were two entrances to the room on the second floor, one

from Milwaukee Avenue and one from the Irving side. The entrance from Milwaukee Avenue was a door that opened out at the street and the other one from near Irving were two entrances to the room on the second floor, one from Milwaukee Avenue and one from the Irving side. The entrance from Milwaukee Avenue was a door that opened out at the street and the other one from near Irving Park would go all around the building on the second floor, go through the public corridor. There was a 508 stairway that ran right upstairs from Milwaukee Avenue. There was nothing else behind the door. I did not have a key to that door on the Milwaukee Avenue side. I always used to go in there between eleven and twelve. One of the men told me to. I used to clean that place—sweep it out, wash the windows, and mop the floors. I did not do that every day. I did that about three times a week.

I did not see Skinny, Joe and Don in any other part of the building. They would come down to my boiler room—they just burned some paper—sheets about 8 by 5, 10 by 5 inches. About two or three times a week. They just had a package of it—I could not estimate how many packages. They used to come down with a waste basketful (indicating eighteen inches in height). They burned them in the boiler—I never did that. I just got to see the sheets from a distance. They pitched them into the boiler.

Government's Exhibit O-125, is a picture of a person I know as Joe that I have just been talking about. Joe is one of the persons that I saw brought these sheets down into the basement and threw them into the furnace. That situation continued about a year. After that the place closed upstairs. It was in the course of my duties to be in the premises at night. I have never seen persons entering that door at night that leads up to that room I have described. I was never up there at night.

Mr. Plunket: The Government will offer GOVERNMENT'S EXHIBIT O-206 for identification.

Cross-Examination by Mr. Thompson.

William Goldstein employed me as a janitor of this building. He is a lawyer here in town. I don't know where his office is. My uncle used to work for him. He got to know me over there. That was 1140 Granville. I got the job through my uncle. I got paid in the vaults downstairs by Mrs. Anglemire.

509 I saw Mr. Goldstein out around the building about two weeks ago. He just said, "Hello". I started working for him three years ago last night and I have been working for him continuously. The Casino Club opened five or six months after I started working there, about two and a half years ago. I heard the man who operated the place was known as Reg (indicating), the gentleman right there. Mackay is the name. He was the man who operated the Casino. They were closed a few times—I couldn't tell you how long they were open. This other place I spoke of was on the second floor of the building. The Casino had two entrances, from Milwaukee Avenue and Irving. They were regular store entrances—just walk right out of the street into the Club Casino. There were iron doors there inside. I don't know whether they were put there after the Club Casino opened or whether they were already there. I was not in there before they opened. I did not see this place being put in condition as a club. I was working there. I did not see the working men in the room. I did not see them construct any iron doors in this place. I did not hear any noise going on around there. Mr. Goldstein told me that the Club Casino had opened, that the people had rented that place—if they wanted anything fixed I should fix it. If I can't I should just tell them I can't fix it. I am not sure whether he told me that before or after they opened. They did not pay me the rent. I don't know anything about who they paid it to. I first got instructions to take care of the motors in this club just about the time Mr. Goldstein told me what I just told you. I then found the Club Casino operating. I heard it had been rented so I was not surprised when I walked in there. The first thing I know it was open and going. I hadn't seen any construction work going on at all. I didn't see any structural changes in the Irving Park side of the building, or the Milwaukee ave-
510 nue side of this building. The door looks just the same on the outside. The windows looked just a little cleaner. It did not have any new covering, draperies, or anything like that. They had Venetian blinds on there. They were on there before the club started. They had been there ever since I started there. All the changes I saw from the outside of the buildings was that the windows were washed. There was no name before the club started. I don't know who previously occupied this room. I think it was vacant until the club opened. I was never in there before. I never

had anything to do with that place. I had to do with the boiler room and the walks downstairs. I cleaned the hallway. When I cleaned the hallway I did not come in contact with this room that later became the Club Casino. It did not connect with the hallway. It is about the center of the building. It is not a triangular building. There is one entrance at one end and one at the other end of the building. Milwaukee Avenue and Irving Park intersect at that point. It is sort of an angle. Our building doesn't come to a point at that angle. There is another building on the corner—ours is the second one from the corner. This room goes clear through the building and hits Milwaukee at one end and Irving Park at the other. The room is approximately one hundred feet in length. The room is about fifty feet wide, between the two streets, about one hundred and fifty feet back from the intersection of these two streets. The part designated on O-7 as 4715 is the Irving Park front, and on O-6 as 3971 is the Milwaukee front. They have Venetian blinds on the front window. They were there when I went there. I don't know that it had formerly been a gambling club. I hadn't heard anything about it. I don't know where it got the name "Casino". It was not printed anywhere on the building.

This picture, O-205, is the inside of the Casino. I do not know what it is set up for. I recognize the inside. It is for a bookie. It is used for a horse parlor. That 511 structure up there in front is the blackboard. They have sheets up there. That is where they keep the names of the horses, the positions and so on. The raised platform is where they had them sheets. They were hanging with the black signs on. There was a man standing there on that platform, down below the chair and table. That is the sheet hanger's station. The chairs with the white covers on are customers' chairs. I did see customers in those chairs. I have seen the sheets hung up and taken down. I have seen the sheet writers at work just when he would change sheets. Those are the sheets up on the wall. I don't know where they made their bets. I saw them hand money, but whether it was to pay a bet or what, I don't know what it was for.

The Club Casino was not connected with the Legion Hall upstairs. You could not get from the Club Casino to the Legion Hall without going outside. The Legion Hall could be entered from the public hallway from the Irving Park side. It did not have a room number. I don't know

whether it was built for a Legion Hall when the building was built, or later converted. When I came there the American Legion was in there. They occupied the hall a little over a half a year, and then they vacated. The other business came in about four or five months after. It was empty four or five months. I don't know who rented that hall space. Mr. Goldstein did not talk to me about that space. There were no openings or entries made to it after they entered this hall. This outside opening was already there. That was entered by an outside stairway. I can not indicate on either of these exhibits, O-6, or O-7, the outside entry to the Legion Hall upstairs. That is only half the building on here. That is the Milwaukee Avenue side. The entrance to the hall upstairs, with respect to this picture, is at the end of the building to my right—I would say just another half of the building. It is at the other end of 512 the half that is not here. It is clear at the end of the building. There is two more stores there, and then comes the entrance. Just like from that currency exchange entrance. That is a currency exchange downstairs where the vaults are. This is the one that goes downstairs and the other end of the building has a similar entrance which goes upstairs.

This optometrist did not have his place of business here at 3969 before the Casino opened. He is there only about seven or eight months.

A photographer was in this room where the optometrist now is when the Casino opened. He sold films and pictures and things like that.

The other two stores are occupied. They are all new tenants, about a year since the Casino operated there. It is about a year since the second story thing operated. All I know about the men who operated the second story place is that the names are Joe, Don and Skinny. Joe was a sort of tall, slender fellow. O-125 is Joe. I don't know what his name was. Don was about your height, a little heavier. Skinny was just what his name indicates—tall and skinny. I saw these men come downstairs and burn some papers occasionally. I did not look to see what kind of papers they were. They burned them in the fire box of the furnace. In the winter the big boilers were running and in the summer the hot water heater was running, and they would burn it in the fire box of the hot water heater in the summer and in the fire box of the big boiler in the winter time. Coal fuel. They just opened it up and threw these things in

there. There didn't seem to be any secret about it as far as I was concerned, no discussion about it. I didn't ask any questions and they didn't volunteer any information. Mr. Goldstein didn't talk to me about that. I never told him anything about it. I don't know who paid the rent upstairs on that room. Mr. Orris collected all the rent from the 513 building. He works down in the vaults, too.

There is a machine up here in this second floor apartment that looked like a typewriter. I have not seen typewriters operating electrically. I don't know what a teletype machine is. This machine was never in operation. I don't know whether it was hooked up electrically. Just one of them there in that room. I never saw any teletype machines at the Casino. I didn't say the amplifier was up on the second floor—I said it looked like a microphone—I mean a horn, about three inches in diameter. I don't know if it is like the transmitter of a telephone. I don't know what it was. I didn't hear it operate. I saw telephone equipment in the bigger room. There were two rooms up there. The Legion Hall had one small room, where the table and machine were, and that big room had two long tables in there with telephones on them. There were about eight telephones on these tables. They were all just ordinary tables, and the old type of telephone. That was all that was in that room. It was occupied in the daytime, as far as I know. I started in the winter at six o'clock and worked until ten, sometimes eleven o'clock, at night. In the summer I worked from about eight until 6:30. This floor was occupied when I was there in the winter time. I was there ten or eleven o'clock at night. I don't know whether it was occupied during that period of time. I was giving heat in the evening. I kept down in the boiler room. I didn't go up and look who was occupying the offices.

The Casino was not running at night—just ran in the daytime. I never saw Reg Makay up on the second floor of this place. I never saw Joe, Don and Skinny down on the first floor. They were down on the first floor in the restaurant. I don't know that they had any part in the Casino. I did not see them there.

The restaurant that I saw Joe, Don and Skinny in belonged to the club. It was inside the Club Casino. Describing this hallway entrance to the second floor place from the

Irving Park side, you walked all around the hallway until you got to Milwaukee Avenue side and you went through two swinging doors and then you came to an ordinary door. There was another door there. There was a little partition between the two doors, about four feet square. There was nothing in the second floor. You obtained entrance just by knocking at the door and it was opened. You didn't go in the first door first and then knock at the second. You had to knock at the outer door.

I knew one worker around that place by the name of Roy—a short fellow—and he seemed to be crippled. He put up a shed downstairs in the basement. He covered electric meters with that shed. These were meters from the vault downstairs and the club upstairs and from our ventilating system. That ventilating system is for the vaults and for the club. I didn't see him do any other work around there.

Mr. Plunkett: May we have that admitted in evidence?
The Court: It may be received.

(Said instrument, so offered and received in evidence, was thereby marked GOVERNMENT'S EXHIBIT O-206.)

RALPH POLLACK, called as a witness on behalf of the Government, having been first duly sworn, was examined and testified as follows:

Direct Examination by Mr. Plunkett.

My name is Ralph Pollack. I live at 654 Aldine. I 515 have gambled in the Horse-Shoe on Kedzie Avenue, The Dev-Lin in Tessville, the Lincoln Tavern, and the D. & D. I believe that about covers it. I have gambled in those places possibly six, seven, eight, nine, ten years.

I have known the defendant, William R. Johnson. I really just had one conversation with him. That was some years ago—perhaps two or three years ago. That was in Tessville. I was gambling at the time, at dice. There was a dispute regarding a call of the dice. It was between the dealer and the players. I was a party to it. Apparently it was a crooked dice and the majority of the players seemed to think it was a bad call on the part of the stick man. I lost, as a result of that. I was rather disturbed about it and cashed in my checks and walked away. After that Mr. Johnson stopped me and explained what happened, so forth

and so on. I couldn't see his point. He said, well, if you still think you weren't treated fairly I will reimburse you out of my own pocket. I told him I didn't want any money out of his pocket, I thought I had won it. And that settled it.

Cross-Examination by Mr. Thompson.

Crooked dice are when they don't land flat on the table, when they may be resting against the check or against the edge of the table. I mean when the dice are rolled they don't lie flat on the table. In other words, if it is leaning up against the edge of the table or against the check then it is crooked dice. You do count that. That is where the dispute comes in. Different viewpoint. Every roll of the dice counts. From where I was standing it looked like one series of numbers, one computation; from the stick man's side it looked like something else. That is what caused the dispute. I wouldn't say that the dice was standing up on one edge, maybe on a corner, maybe sideways, but at any rate they were not flat on the table, and from my perspective it was one number and from the stick man's it was 516 another. There was some dispute about it. Mr. Johnson happened to be there and said rather than have a quarrel about it he would pay me out of his own pocket. That is all there was to it.

Redirect Examination by Mr. Plunkett.

Q. How much was involved at that time?

Mr. Thompson: We object as immaterial. What is the difference?

The Court: Overruled.

The Witness: Oh, couldn't have been much, maybe ten, twelve, fifteen dollars. Didn't bet very big.

Mr. Thompson: We move to strike the testimony as immaterial.

The Court: Denied.

HARRY KUDESCH, called as a witness in behalf of the Government, having been first duly sworn, was examined and testified as follows:

Direct Examination by Mr. Hurley.

My name is Harry Kudesh. I live at 4843 North Ridgeway. I have been out to a place known as the Harlem Stables. On the first occasion I was there by myself; later I went with different friends. I didn't exactly meet a man named Johnson when I went out there with some of my friends. I was in the company of H. L. Brodie and his wife.

Johnson was in the room that night. He had his hat and coat on. It was a crowded room, and I said hello to him and I dropped back. Hi called me over and said "You know Bill?" I said, "Yes, sir". That was all there was to it. We played a few games of Keno. A couple of days later I went to the Horse-Shoe and saw Mr. Sommers and 517 asked for a job and was put to work. Hi Brodie told me to go up there. I was a shill at the Horse Shoe. I worked there about five months.

After I worked there I went to work for the City, in the Water Pipe Extension Department, for about three months.

I next went back to work with Jack Sommers. I went up to see him at the Horse Shoe and I went to work. I drove an automobile from Broadway and Wilson to Kedzie and Lawrence. Jack Sommers told me to do that. I worked days, from twelve to eight. I received \$7.00 a day, and used my own car. The doorman downstairs at the Horse Shoe paid me. I worked about three months, driving from Wilson and Broadway to the Horse Shoe.

After that I went to work in the Assessor's Office for about three months. I was out of work for a little while. I think my next employment was back at the Horse Shoe. I saw Jack Sommers about going back to work there. I then drove a car again--Broadway and Wilson to Kedzie and Lawrence, I believe. I don't think it was more than three or four months that I drove on this occasion. I received \$7.00 a day from the doorman. It was in a brown manila envelope, about two by five, I would say, something like a regular envelope.

After that I went to work in the Park District. I was with the Park District about two and a half months, and after I finished my work with the Park District I saw Hi

Brodie again and he didn't have anything for me to do. During the discussion he says, "Why don't you try going out to the Stables?" I went out there and saw Mr. James Hartigan and got myself a job. After I talked to Hartigan out at the Stables I was driving an automobile from the end of Irving Park carline to the Stables. I got \$7.00 a night. That was paid in the same manner I described for the other occasions. I was driving from the end of the Irving Park carline to the Stables about four months. I was let out and I again saw Mr. Brodie and he said if I cared to, I might try to get in the Casino, at Irving Park and Cicero, 518, and I did. He said I could go to Irving Park and Cicero and maybe I could get some more work there, and I did go there and saw Mr. Mackay, and he put me to work on the inside, as a shill. I got \$4.00 a day as a shill. We walked over to the cashier's cage and drew our envelope. That is the same type of envelope I have described before. I worked two months as a shill at the Casino. The last day that I worked at the Casino was the first of June or last part of May of '39. When I went over to the Casino the last time I just saw Mackay on the floor. I had known him before. I had come into his place as a customer and I had come in to the place a few times with Hi Brodie. I asked if he had some work—if he had a place for me in the organization, and he said that I should start the next day, and I came back and went to work. I see the Mackay I worked for here in the courtroom (indicating the defendant Mackay).

Cross-Examination by Mr. Thompson.

Hi Brodie that I mentioned so many times is my alderman and ward committeeman. I am a member of his organization. I am an assistant precinct captain. I worked either on the public payroll or in gambling houses for the last several years. I worked as a shovel laborer for the water pipe extension, the City Water Department. I dug a ditch in the city streets. We had one job I worked on along North Avenue. I wasn't a timekeeper. I was a laborer, with a shovel. I was shoveling dirt, clay, or sand, whatever it would be. It was a job of cutting open sections to put in a new line of pipe. When I started they were at Hamlin avenue and worked west beyond Crawford—Pulaski Road, on North avenue. That was in May, June and July of 1937. The gambling houses were operating then. I last worked at the Horse Shoe Club, Kedzie and

Lawrence. I discontinued that job because at that time 519 of the year there was work. They get started every year at that time on different streets. I asked for a different type of job, if I could have it, and he gave it to me. I got \$7.60 a day for shoveling at the City Water Department. The first time I worked in a gambling house I received \$4.00. Then I got \$7.00 a day for driving, furnishing my own car. I got \$4.00 for the time when I worked as a shill.

I worked in the County Assessor's office in September, October, November of '37. I did clerical work there. We worked on the simple audits. My hours were 5:30 in the evening until 1:30 in the morning. They have a regular day crew. As extras they had a night crew.

I had an attendant's job at the Park District. That was to take care of the building, locking up, sweeping, and taking care of the fire. That was at Eugene Field Park. That was September, October and part of November, '38, I don't believe we had an election in '38 at that time. I was not put on just before the election.

After that I went to work at the Harlem Stables. I worked for about four months. Then I went to work at the Casino. I worked there a couple of months. Then I went to work at the Lake View Pumping Station. I worked in July and August of 1939. Then in the month of September I went to work on the Bureau of Streets in the ward office and worked up until June of this year. Since June I have been selling automobiles. Hi Brodie got me all of these jobs.

GERALD BRENNER, called as a witness on behalf of the Government, having been first duly sworn, was examined and testified as follows:

Direct Examination by Mr. Plunkett.

520 My name is Gerald Brenner. I live at 4557 North Hamlin. I run a tailor shop. I was employed in a gambling house around Chicago. I was first employed in the Lincoln Tavern. The last time it closed, I think it was in '36, approximately around that time. I used to go out there and play Keno occasionally and took an interest in it. I asked Mr. Hartigan, the boss at that time, for a job. I waited a couple of days and he gave me one. I got a job shilling. At

that time I worked in the night time. I worked at the Lincoln Tavern until it closed. Jim Hartigan was my boss all that time. I didn't know a soul at the Lincoln Tavern at that time. When I left the Lincoln Tavern I went to the Horse Shoe, Kedzie and Lawrence. That is when they opened in the city and the word went around that all the boys that worked there could go to Kedzie and Lawrence. I saw Jack Sommers at Kedzie and Lawrence. I was employed there. At that time I took care of a cigar stand they had there. It was in a little room off where the gambling was. It was a check room they had. I worked there until the time that that place closed, and went some place else. We next moved to the Harlem Stables. I couldn't swear to the exact date—I just remember off-hand what time it was. It was approximately about a year afterwards, after the time I started at the Lincoln Tavern in '36. This would be in '37 when I went to the Stables. My boss at the Harlem Stables was Jim Hartigan—no one else. I was a shill out there. I did become a dealer. I went to school at Kedzie & Lawrence. Nobody in particular sent me there. They had the word around, if we wanted to attend that school we could. That is, those working in the places. I did go there. I only know the name of the one who taught at that school as "Toad". That is what they called him. I went to school approximately three and a half weeks. At that time it was located at the corner store that used to be a spot for the 521 buses to pick up people, at Leland Avenue. I was working at Kedzie and Lawrence at the time I went to this school.

I worked at the D. & D. after I went to this school. I went back to the Harlem Stables again. I didn't work at any place else besides the places I have mentioned. I did work at the House of Niles. I ceased employment in September, 1939. I was working at the Harlem Stables at the time. All the time that I was working at these different places I was paid every day in cash.

I know the defendant William Kelly. I first met him at the D. & D. I didn't see him any place else. When we closed he went from the city to the Stables. He was my boss out there, approximately two and a half or three months. We were at the Stables last—that was last summer. I was working days at the time. I didn't work nights in that same period.

Cross-Examination by Mr. Thompson.

When I went to school on Kedzie I was working at the Horse Shoe Club. All the people going to that school were not employees of the Horse Shoe. Some of them were from the Horse Shoe and some were from other places that were open at the time or had been open. I could not say exactly how many were there who were employees of the Horse Shoe—I never paid much attention to that. The boys that were shilling at these different places attended this school. The man's name who was teaching was "Toad". He was a heavy set fellow. He taught all the time I was going there. The instructions were, just had the chips, and learned the different lay-outs, that is all, of an ordinary crap table. I never did know the layout of a crap table before I went to this school. I just hung around there, playing keno at the Lincoln Tavern, and I asked Jimmy if he would give me a job. I was pointed out he was the boss. He told me to wait a couple of days—he would give me a job. I had no such thing as a political sponsor. I went to this school about three and a half or four weeks. I went to work at the Horse Shoe when it opened up, but not dealing—I didn't go to work right away—I still was shilling. As they needed a dealer I got an opportunity. I worked as a shill at the Horse Shoe Club and I worked as a dealer at the D. & D. Club. I commenced there about two or three weeks after they first opened up, the first time at the D. & D. I would not swear when that was. That was the time when they closed one place and we went to the D. & D. They closed the Harlem Stables and I went to the D. & D. I went back to the Harlem Stables from the D. & D. When the D. & D. was operating the Harlem Stables was not operating. I know that, because everything was open in the city at that time. When everything was open in the city the country places did not operate, and when they closed up in the city then the country operated. It is hard to say how often they alternated—I wouldn't swear just to the exact length of time—just seemed to go along for months, maybe a year, at a time, and then they would close. All the places in the city would not close at one time. Maybe one every other time, not all on the same day—maybe the rest of them would close the following day. It was when they all closed in the city that they all moved out into the country.

I never worked at the Dev-Lin. I did at the Harlem

Stables. I never worked at the Club Western. I never knew all the places. When I worked at the D. & D. Mr. Kelly was the proprietor, no other man in charge except Mr. Kelly. When he closed up downtown he took whatever business he could out into the country. He would give us what work he could. I only went with him one time to the Harlem Stables from his club downtown. That is the only time I knew what happened to Mr. Kelly. When he got closed up in the country everything stayed closed at that time. I never went back from the Horse Shoe to the 523 Lincoln Tavern. I only worked at the Lincoln Tavern once—that is the last time it closed. It has not been open since. I worked at the Harlem Stables the last time it closed. Neither one has been open since. I never went back. I went to work some other place. I am managing a valet shop at the Webster Hotel. I have not worked at a gambling house for the last six months. The last time I worked in one was at the Harlem Stables, when it closed about September 15, 1939. I have not been in any gambling house since 1939. I worked three short shifts at the Casino Club. I would not know, off-hand, exact dates. I just went over there and wanted a little extra work and if they had it they gave it to me. I worked three short shifts. There was a long shift, that was a full shift—we got \$7.00 pay and on a short shift we got \$5.00 pay, dealing craps. I worked in gambling houses on and off about two and a half years. Prior to that I was in the cleaning business. I was not in the cleaning business while I was working in gambling houses. I went out and got a job in a gambling house because I was out of employment.

I have told you all I know about my employment in these gambling houses. I was not paid by the same man in each place. At Kedzie and Lawrence I was paid by a fellow named Charley and at the Stables and at the D. & D. by the name of Mack. I don't remember the fellow's name at the Lincoln Tavern. And at the Casino by a girl. I didn't know her name, because I didn't go there often enough to know it.

DAN WOLFSON, called as a witness on behalf of the Government, having been first duly sworn, was examined and testified as follows:

Direct Examination by Mr. Plunkett.

My name is Dan Wolfson. I live at 7725 Marshfield 524 Avenue, Chicago. I am employed by the Illinois Tax Commission. I was employed in a gambling house in Chicago, in the Horse Shoe, 4721 North Kedzie Avenue. I got my employment February until September, 1939. Prior to my employment at the Horse Shoe I had a cigar store at Kedzie and Lawrence. That is in the vicinity of the Horse Shoe. I was out of work at the time and I tried to get employed up there and I went to William Johnson, whom I have known for about twenty-five years, and asked if he would not recommend me. I saw him in the restaurant. He told me to see him in a couple of days. I saw him about a week or ten days later in the restaurant. He picked up the telephone and called somebody and about five minutes later he said I should go upstairs and see what they could do for me. I went upstairs into the Horse Shoe gambling room. I saw James Hartigan. I told him I was the one that was sent up there, and if he could do anything for me to put me to work. He said I should come back the next night. I started work then, shilling at the table. I was there until September 1st, in the same building. I was working three or four nights a week. From September 1st on I worked at the Dev-Lin on Devon Avenue. I was told when I came down to work at the Horse Shoe they told me to go over to the Dev-Lin because this place was closed down. I worked at the Dev-Lin one month as a shill. James Hartigan, and I think Jack Sommers, was my boss out at the Dev-Lin. I worked at the Harlem Stables two days, I think. They sent me over there. I think it was during the month of February when I first started. James Hartigan sent me over there a couple of days. I asked the manager of that place to see if I couldn't get back at the Horse Shoe because that was too much traveling for me. I think it was a fellow by the name of Bartel. I always worked nights during this period. I don't know who the day boss was of the Horse Shoe. I was paid every night, in cash, by the man who had charge of the payments. He was the pay-

master. I made Social Security payments every night.
525 That was taken off at the time we were paid. There was a man who took care of that. His name was Charley—I don't know his last name. It is not the same Charley who was at the Harlem Stables, the Horse Shoe and the Dev-Lin. Charley was at the Horse Shoe. I don't know what his name was. I don't know who the man was at the Harlem Stables. I didn't work at any place else besides these three places.

I know the defendant, Sommers, for about three years. I saw him in the cigar store. He was around the neighborhood. He used to come into the store once in a while and buy cigars before the restaurant was open. I have never seen him any place except my cigar store and up at the Horse Shoe.

ARTHUR CORBIN, called as a witness in behalf of the Government, having been first duly sworn, was examined and testified as follows:

Direct Examination by Mr. Plunkett.

My name is Arthur Corbin. I live at 3957 Irving Park. I was employed at the Harlem Stables the first part of '37 as a driver. The first part of the year I was working on a construction gang on the West side of town, and some of the fellows over there asked me why I didn't go over and get a job, because I had an automobile, so I did. I went over and tried to find out who was the boss and found out that Hartigan was there. It took me about three weeks before I could catch up with him and ask him to put me on, and it took me a couple of weeks after that before he put me on as a driver. I drove my car taking people up there. I drove from Irving and Cicero. That was the place they sent me to pick up people—told me to go to the fellow out front and he would tell me what to do. Lou
526 Block was the name of the fellow in front. I don't know exactly in front of what. I am acquainted with the premises there in front of which he was standing. I was not before that. It was just an empty room, to get off the sidewalk; the drivers sitting in there and Lou Block would be in there. There wasn't any gambling club open then. I don't know of any before that. After I got to

Cicero and Irving I would report to this Lou Block. I guess I was there two or three months. My hours from eight in the evening until three in the morning. My duties were to drive to this point where Lou Block was standing. The people that I put in my car came over there. There was not any bus service running at the same time. When my car was full of people I took them to the Harlem Stables. Then I would go back to Cicero and Irving. I made about three or four trips a night between those points. I did drive from other points besides Cicero and Irving. I drove from Kedzie and Lawrence to Harlem Stables. I can't say the exact period of time—I imagine at least three or four months. That was in '37. Lou Block told me to go over to Kedzie and Lawrence. I was switched around three or four times—I don't know the exact time I was there, but I would say I drove from Kedzie and Lawrence to Harlem Stables three or four months. Wherever I happened to be driving they told me to go from that place over to where I was sent. I picked up people from Wilson and Broadway to Division and Dearborn. The man who gave orders at Wilson and Broadway was Dave Windsor. I didn't always make a stop at Kedzie and Lawrence, as you go from there to the Stables, unless some people wanted to stop out there. While I was driving at the Stables I was paid \$7.00 a night. I paid my own gas and oil. I was paid every night in cash. The fellow out in front at the Harlem Stables paid me—I don't know who he was. I know they called him Bud. Whether I stopped at Kedzie and Lawrence depended on whether or not the persons in the car wanted to play Keno or dice. 527 Keno was being played at the Harlem Stables. Dice was being played at both places. I drove to Lincoln and Devon, at the Dev-Lin. I took people there from Kedzie and Lawrence and go over to Wilson and Broadway. I didn't make any stops on the trip there. One afternoon I made a trip out to the House of Niles, at the request of Lou Block. I was stationed at Cicero and Irving at the time. I don't remember who changed my route from Wilson and Broadway to Kedzie and Lawrence; or who changed that over from the Tessville address, Dev-Lin. I don't remember whether it was Dave Windsor or Joe Barnes. They were the men standing at the corner of Wilson and Broadway. At the time I drove from Wilson and Broadway to Harlem Stables I know that there was a

bus running there also. It was running from Wilson and Broadway and stopped at Kedzie and Lawrence, and then went to the Stables. I don't know how often it would run—it would go before we did and then we would go out. I wouldn't see it any more. As to the hours just when it went I don't know. They left about 8:30 in the evening and between buses I drove my car out there. I drove to Division and Dearborn. I think Bud at the Stables told me to go down to Dearborn and Division one night and then I drove from there for quite a while.

I saw Downey at Division and Dearborn. I know his nickname, "Wooz"—I don't know his first name. I drove from Division and Dearborn to the Stables. I wouldn't make any stop anywhere. Off and on, I was driving from the Stables two and a half years. They closed up. When they opened again I would go back to work. I was down at Division and Dearborn most of the time. I used to pick up people four nights from 4020 Ogden Avenue to the Stables at the request of Downey. I had been working in the D. and D. prior to that. 4020 Ogden Avenue was not going at that time. I did not make any stops 528 anywhere from 4020 Ogden to the Stables. I picked up people from Howard Avenue L. Station. I took them to the Stables. I couldn't tell you how many cars were engaged in that type of business—I know there was at least fifteen or twenty. Those were the ones I would see going into the Stables.

I know Jack Sommers. I met him at Kedzie and Lawrence and at the Stables. He was just outside, talking to some fellows at the Stables. I never received any orders from him. I had no reason to go inside to see him there.

Cross-Examination by Mr. Thompson.

I am selling insurance now, not driving for any gambling houses. It is about a year since I have. I didn't go into these gambling houses when I was driving back and forth. I received no orders from Mr. Johnson in connection with this.

Mr. Thompson: We move to strike the testimony of the witness as in no way connected with the defendant W. R. Johnson and not proving or tending to prove the taxable income of W. R. Johnson in the years alleged in

the indictment, and having no connection with proving any scheme to evade payment of taxes on taxable income for those years.

The Court: Denied.

HENRY GREENWALD, called as a witness on behalf of the Government, having been first duly sworn, was examined and testified as follows:

Direct Examination by Mr. Plunkett.

My name is Henry Greenwald. I have been employed in a gambling house. I was first employed in 1934 in the Southland Club at 63d and Cottage Grove as a doorman. Andrew Creighton gave me my job out there.

I worked at the Lincoln Tavern, the Dev-Lin Club 529 and Harlem Stables, 97th and Western and House of Niles. I recall working at the D. & D. Club. I recall working at the Horse Shoe.

I worked at the Southland Club about a year when I was first employed there. I worked at the Dev-Lin when I went there. I met Mr. Creighton at the Dev-Lin. I don't know how I was employed at the Dev-Lin Club. Mr. Sommers, I believe, was my boss there. I was night watchman at the Dev-Lin. My hours were from four in the morning until noon time. I was inside. There was another night watchman working there when I was, about three others. I don't remember how long I worked at the Dev-Lin. It was probably four or five months. From there I possibly went to the Lincoln Tavern. I worked there as a night watchman at the same hour. Mr. Hartigan, I believe, was my boss at the Lincoln Tavern. I don't know Mr. Hartigan. I don't remember who paid me. I was paid when I went on duty at four o'clock in the morning. The place wasn't open when I came on duty, but the envelopes were there for us. We were paid every night.

After I left the Lincoln Tavern I think I went back to the House of Niles as a night watchman, the same hour. I don't remember who sent me there, but we were all sent there. I don't know where I went after I left the House of Niles. My best recollection is the Harlem Stables. I don't know who sent me to the Harlem Stables. I was

told to go there, but I don't remember by whom. I was employed at the Harlem Stables probably another year or seven or eight months, I believe, at one stretch of time. I was a night watchman there, the same hours, the same pay. When I left the Harlem Stables I went back to the Southland. I went of my own accord. I spoke to Mr. Creighton of the Southland. I just asked him for a job and I got it. I was a doorman at the Southland.

I went to work at the D. & D. about three weeks in 1938,

I believe, as a doorman, from eight at night until 530 three in the morning. Mr. Kelly was my boss at the

D. & D. I was an inside doorman of the inside room, right at the door leading into the room. My duties were to open and close the door. That is all I did. I worked at the Horse Shoe the latter part of 1936, as a night watchman. I was paid in cash every night at all these places that I worked.

Cross-Examination by Mr. Hess.

My first employment was at the Southland by Mr. Creighton about 1934. Then I went to some other place when the Southland closed. Mr. Creighton did not employ me to go to these other places. I don't know how I got in. I knew there was some other place open and I went to get a job there. That is true of all of the places other than the Southland.

H. E. WHEELER, recalled as a witness on behalf of the Government, having been previously duly sworn, was examined and testified further as follows:

Direct Examination by Mr. Miller.

I testified before, about two weeks ago. I testified that I was the President of the Air Comfort Corporation. My company had occasion to install equipment at the Bon Air Country Club at Wheeling, Illinois, in 1939. It was air-conditioning equipment. We charged approximately sixteen thousand three hundred dollars for equipment and services performed at the Bon Air in 1939. We were paid by check by the Lightning Construction Corporation.

about \$11,000.00, and the balance we were paid in currency, at the Bon Air Country Club, by Mr. Geary.

Government's Exhibit E-102, for identification, is a 531 sheet from our ledger covering the Bon Air Club account. This is part of the permanent records of the Air Comfort Corporation. It is kept under my supervision and control. The entries made on this sheet were made in the regular course of business. The entries on this record reflect the transactions at or about the time they occurred.

Mr. Miller: I offer at this time Government's Exhibit E-102.

Cross-Examination by Mr. Thompson.

According to this record the first payment on this contract was made April, 1939. The day doesn't seem to be entered here. It was made by check of the Lightning Construction Co. There was a second payment in April the same year. I don't have the date there. It was paid by check from the Lightning Construction Co. I recall that, for one thing; and I think we have records to show it. I think we have the envelope in which it came, the notation made on it. We make a practice of keeping all envelopes in which we receive payments.

This is our ledger of entry, in which we put down receipts, money received on any particular job. It is not our day book or cash book, where we make our first entry. The bookkeeper makes the entry in this book. I don't know positively where the bookkeeper gets the information which is put in this book. The third payment was made on May 4th, by check. I recall that it was, and I think that our records will show it. I see the money of payments. The cashier of our office receives them. If it is a substantial amount the cashier brings them over to me and shows them to me. I do have a recollection of having seen these two checks come in. I had not checked the financial standing of the Lightning Construction Company before I made this contract with them. We 532 talked with the architect, Mr. Nadherny. I had not known him before. I did not ask him anything about the credit of the Lightning Construction Company. We did not hear of the Lightning Construction Company until the contract had been practically ready to be agreed upon. Then we were told to make it out to the Lightning Con-

struction Company. Mr. Nadherny told me that. We didn't ask him who they were. We didn't make any check of its financial standing.

The first payment of \$6,121.46 was paid to us at the same time our truck delivered some equipment there and before it was unloaded, so on that transaction I don't think we extended any credit up to that point. Our steam-fitting foreman received a check. He was there to meet the truck. He delivered the merchandise and took the check. It was drawn on some bank in Deerfield. I didn't check with the bank to see whether the check was good. I just put it through in the regular course. My luck was that it came through all right. I hadn't, up to that time, checked to see whether the Lightning Construction Co. had any money at the bank or not.

The next two checks were for partial work as it progressed, and merchandise, both. The first delivery was merchandise. Up to that time I had this merchandise manufactured for this job. I had not checked into the financial standing of our customer at all up to the time I had manufactured the product. Then we moved it out there and installed it.

We billed the Lightning Construction from time to time and it paid us. The fourth payment was made in currency. I recall it because I collected it myself. It was some small bills—they were of various denominations, as high as \$5.00. Mr. Geary gave them to me. He was at the Bon Air Club and the room is like an office. Mr. Love was there at the time. He is a superintendent, I believe, at the Lightning Construction Company; and we take orders from him at the

Lightning Construction. He was head of the construction work out there. Roy Love is what we call the

General Contractor. This four thousand dollars was handed to me personally. I believe it was the first time I was at the club. I may have been there once before. I made no collection prior to this. My occasion for going out there on this trip was we had a balance due of about five thousand, five hundred, approximately, as near as I can recall, and there were some small items in dispute, and they had certain credits coming to them. They wanted to talk to someone with authority to either allow or disallow those credits, so I arranged by telephone to meet Mr. Geary there this particular night, and after we had talked a few minutes he asked Mr. Love to come upstairs. He was evidently in

some other part of the building. We discussed these credits and agreed on them and then, I believe, Mr. Love left at that point and Mr. Geary said, "Well, we will pay you four thousand dollars now", and handed me the money. That is, as a partial payment, and asked me to count it, and I did. As it happened I gave it back to him and asked him to give it to the Brinks Express the following day and to put it in the envelope. I didn't carry it with me. It took me probably ten minutes or so to count this four thousand dollars. After I counted it I handed it back to Mr. Geary. He agreed to send it in by Brinks Express. He asked me to sign a receipt for it, which I did.

The Club was operating at that time—I think it was about nine o'clock at night. Mr. Geary was the only one I saw there that I knew, excepting my small talk with Mr. Love. He was the only one I talked to about this job. \$146.00, as I recall, were allowed in credits. That is indicated on our ledger there. I don't know of or recall any other credits indicated on our ledger account. This symbol, C-1199 refers, I believe, to a voucher number and that voucher, I presume, contains the credit memo which was issued at that time. I believe the other symbol, "C. R." 534 refers to remittance. Credits on the cash receivable ledger. The symbol C-1199 is a voucher number. That is the credit memo I spoke about. These other two symbols S-105 and R-39, I do not know what they refer to. They are in the same column as remittances, yes. We were paid approximately \$16,300 for this job. This totals \$16,362.49, and there is an additional journal entry of \$1123.75, which is entered twice, once in error. That accounts for that extra \$110.00 on that exhibit. I believe that \$16,362.00 is the actual cash we got. That is inclusive of the \$146.00 credit. The items, \$18.00 and \$47.90, I think are probably service items that occurred later. By glancing at the column you can tell that the \$146 credit is included in the \$16,362.00 total, so that is the total credit, including the merchandise, adjustments, and so on, cash payments and everything else.

Mr. Thompson: We object to the document as immaterial; no proper foundation has been laid for it; does not tend to prove the income of the defendant Johnson; hearsay as to him.

The Court: Overruled.

(Said document, so offered and received in evidence, was thereupon marked GOVERNMENT'S E-102.)

FRANK MATTHEW BROWN, called as a witness in behalf of the Government, having been first duly sworn, was examined and testified as follows:

Direct Examination by Mr. Plunkett.

My name is Frank Matthew Brown. I live at 1656 South Karlov Avenue. I was employed in the Horse Shoe gambling house of Chicago about six years ago. I got the job through my brother. I spoke to Tom Barnes with reference to a job. I got a job there shilling. I worked 535 there about six years. I was in a lot of other places in those six years. I went to the Dev-Lin, Harlem Stables—I don't remember how long I was at the Harlem Stables. It was for a short time a long time ago. Pete Riley was my boss there at the Harlem Stables. I don't remember what year that was. It was not last year—it must have been three years before that—maybe longer than that. When I was working there I got a transfer to go back to the Horse Shoe. I spoke to Pete Riley about the transfer.

Mr. Thompson: We move to strike the testimony of the witness; not material to any issue in this case.

The Court: Motion denied.

FRANK SINGER, called as a witness in behalf of the Government, having been first duly sworn, was examined and testified as follows:

Direct Examination by Mr. Plunkett.

My name is Frank Singer. I live at 1554 South Albany, and know the defendant, William R. Johnson. I met him at a paper stand I used to run at Madison and Dearborn, about four years ago. I would see him every time he would come up to buy a newspaper, for a period of about six months.

Q. Did you have a conversation with him?

A. I asked for employment.

Q. What was his answer:

A. Well, he kept stalling me off.

536 Q. Did he ever give you employment?

A. Well, he did, once.

Mr. Thompson: We object to the suggestive questions and leading the witness.

Mr. Plunkett: He testified he asked for employment.

Mr. Thompson: Yes, but let's have the conversations and acts; not conclusions.

The Court: Sustained. Ask him what was said and done.

I told Mr. Johnson I was down and out and I would appreciate it if he would be able to do something for me. He didn't say anything for a while. About a week or so later I asked him again. He didn't answer me—just went away. I don't know when was the next time I spoke to him—he didn't come around often—it was about a month after the second time. I told Mr. Johnson that I was down and out, needed employment, and he recommended me to Mr. Som-

mers. He told me to go see Mr. Sommers. I don't
537 remember that he gave me anything at the time he told me to go see Mr. Sommers. I did go to see Mr. Sommers at the Horse Shoe Club. That was a day after Mr. Johnson told me. I can not fix the time of this last conversation with the defendant Johnson. It was approximately about '36. I don't know what time of the year it was. When I went to see Mr. Sommers I asked for a job. I told him I was badly in need of work. I don't remember if I had a card—I might have had one.

Q. To refresh your recollection, did you have a card in your hand which said, "Please put bearer to work as a shill"?

Mr. Thompson: We object to any suggestions to this witness.

The Court: Overruled.

The Witness: I don't remember if it was. I don't remember if it was a card, or anything.

I recall being in this building on or about the 8th day of May, 1940. I don't remember who I talked to at that time. I talked to somebody—I don't know who. I was questioned about some of the questions I have been asked now. I don't remember that I made a statement that I had a card in my hand when I went to Sommers. I don't remember the defendant Johnson having given me a card at that time. I recognized my signature on that (exhibiting document to witness). That is my signature. I did affix my signature to this document. I didn't read it before I did that. I went to work at the Horse Shoe as a shill. I worked there on and

off about two years, about 1937. I worked at 4020 Club at Ogden and Crawford. I asked Mr. Sommers to please transfer me there. That was after the place opened. I cannot fix the year. The 4020 opened about three or four months after I went to work at the Horse Shoe. When I asked Sommers to transfer me he asked me why and I told him I wanted to be near my home. Nothing else was said. I went to 4020 the next day. I saw Mr. 538 Planagan at 4020. I told him that Sommers sent me there. He made no answer to that. He put me to work as a shill. I worked at the Harlem Stables, one day when the Horse Shoe was closed. I worked at the Harlem Stables as a shill. That was after 4020 Ogden closed. I saw Mr. Sommers to get employment at the Harlem Stables. I saw him at the Harlem Stables. We were open for about five months at 4020 before I went to the Harlem Stables. I can not recall any conversation between me and Sommers at the time I went to Harlem Stables. Mr. Sommers told me to go to work as a shill. I worked there four or five months, sometimes days and sometimes nights. When I was working in the daytime at the Harlem Stables Sommers was my boss. The defendant, Hartigan, was my boss in the night time. He was boss of the place that I know of. I did not work anywhere else besides Harlem Stables. I was at the House of Niles after the place was closed down. After I left the Harlem Stables I was completely out of work. That was around '38. It was after that when I went to the House of Niles. I saw Mr. Sommers there. I don't think I had a conversation with him. I don't recall what he was doing when I saw him at the House of Niles. The cashier paid me when I was working at the Harlem Stables. I knew him as Mack. He stood up in that cashier's cage. Mack Olson paid me while I was working at the Horse Shoe, the same Mack that I referred to at the Harlem Stables. I was paid every night in cash. The person I have been referring to as Sommers is the defendant, Jack Sommers.

Cross-Examination by Mr. Thompson.

I have been unemployed since the place was closed last September. I think I was down at this building talking to Government representatives prior to this May meeting to which Mr. Plunkett has referred. I first came down 539 here to be interviewed around August, 1940. I was down here in May. That was the first time. I guess

I talked to Mr. Sommers the first time I came down. The agent who is sitting there by you. I don't recall anyone else present while I was talking to Mr. Sommers. I guess there was more than one person in the room. I don't know who that was. I don't know if it was Mr. Converse. I never paid any attention to the other person. Two persons were in there—one of them was Mr. Sommers. I got a letter to come and see him. I don't know who furnished my name. The first knowledge I had I might be wanted as a witness was when I received this letter. I responded to the letter. I came into the building at the time I was asked to come in. While I was being questioned answers were being written down on a piece of paper—I should say that interview lasted about twenty minutes. During the interview I was pressed to say that Mr. Johnson gave me a note. I don't recall whether or not I was also asked to say that he hired me to go in this job. I went through that interview and signed a statement. I was next brought back to the building in August. I was not here between May and August. I was not before the Grand Jury. I was asked to come in the building in August by letter. I have got that letter here. I guess it was Mr. Campbell, and the letter asked me to report in a certain room. I have the letter in my pocket. (Document examined by witness.) It was a letter I received August 10th, telling me to come to Room 450. I received that on August 10th and I responded to that letter and when I came here to Room 450 I guess I saw Mr. Plunkett. I talked about twenty minutes to him. I was shown this written statement. I did not read it over. Mr. Plunkett talked to me about it. I didn't come back for another interview. That is the last time anybody talked to me about this. I have been waiting two days to be called to the stand. Nobody talked to me during that two days.

540 I have told you all about this matter now.

I was running a news stand down here and Mr. Johnson used to patronize my news stand. I have not known him long. The fellow I worked for is the one that told me it was Mr. Johnson. I hadn't known Mr. Johnson—I was just an employee of this news stand. He said to me, "That is Bill Johnson." Then I asked Mr. Johnson if he knew where I could get a job. He did not respond. Then I told him later that I was terribly hard up—I needed a job. I kept pressing Mr. Johnson to give me a job for about eight months. Then, he finally told me to go down

and see Jack Sommers. I did not know Jack Sommers at the time. I went down there and talked to Mr. Sommers. I told him how hard up I was. I don't recall all I told him about my experience. I have been shown the way the other fellows do. I knew how to shoot craps before I went there. I knew how to play poker before I went down there and so I was put to work as a shill, four dollars a day. I got my pay every day. I first went to work for Sommers around 1937, I guess. I don't remember the date, but I recall the years. It was during the summer, I guess. The Social Security tax was already in effect when I went to work there. I paid my Social Security tax every time I got my pay. Some fellow by the name of Mack collected the Social Security tax and paid me my money. I don't know what his other name was—he was kind of a short, skinny fellow. He paid me all the time I was working at the Horse Shoe. After I finished working at the Horse Shoe I went to the Harlem Stables. That was because the Horse Shoe closed up, and when it closed up all us fellows went any place we could find another job. I was not sent by anybody from the Horse Shoe to the Harlem Stables. I saw Mr. Sommers there, the same Mr. Sommers that used to run the Horse Shoe. I asked him for a job. He gave me a job, the same job, \$4.00 a day, less my Social Security.

The total pay I got was \$1056.00. They took 4¢ a day
541 Social Security tax. I think it was the same Mack that handled that matter out there—that is when the Horse Shoe closed he went out to the Harlem Stables and had the same job.

I worked at the 4020 Club. That was after I worked at the Horse Shoe. It was after I worked at the Harlem. I was then working again at the Harlem—the Harlem had been closed. I saw Mr. Flanagan to get a job at the 4020. Sommers told me to see him. I wanted a job from Mr. Sommers. He told me to go see Flanagan, if I could get one at the Flanagan place. Mr. Sommers was running at that time, but he didn't have any work for me, so he told me I might get a job if I went over to the 4020. I went over there and saw Flanagan. He put me to work shilling. I was working on the ground floor. I worked there until they closed—I don't recollect the time they closed. The cashier took the Social Security tax, and paid me there—I don't know his name—It was not Mack. I didn't work anywhere else. These were the only two places, and when

the 4020 was closed in September of '39 that is the last work I have done. I did not have any political sponsor for these jobs.

HERMAN VAN SPANKEREN, called as a witness on behalf of the Government, having been first duly sworn, was examined and testified as follows:

Direct Examination by Mr. Plunkett.

My name is Herman Van Spankeren. I live at 2844 North Kolmar Avenue. I had occasion to do gambling in houses in Chicago. I gambled at the D. and D. Club, Horse Shoe Club, Dev-Lin Club, and the Harlem Stables, during the period 1936 to 1937. I guess just those two years. I played in all these clubs. It was in February '38, I believe, when I stopped gambling. I have played at the Lincoln Tavern and 4020 Club occasionally. I don't believe
542 I can name any more.

I know the defendant Jack Sommers. I know the defendants, Kelly and Mr. Hartigan. I believe that is all.

I saw the defendant Sommers on April 7th, 1939, after I had stopped gambling, at my home. A chap by the name of Ryan was present. That is all.

Q. And what transpired between you and the Defendant Sommers on that occasion?

Mr. Thompson: We object to that, if the Court please. We would like to ask him to advise the Court what the proof is going to be.

(The following proceedings were had out of the hearing of the Jury.)

Mr. Plunkett: We intend to show by this witness at the conclusion of his gambling activities that he sustained a large loss and that he filed a suit against Sommers, Hartigan and others of these defendants and that Sommers came out to his house and settled the law suit by giving him a certain amount of cash and a job.

The Court: He started a law suit against whom?

Mr. Plunkett: The law suit was against the Defendants Johnson, Sommers and Hartigan, and there are others named. I do not know exactly who they all are.

Mr. Thompson: I do not see how that can possibly have

any bearing on the question of income anybody had or with respect to income taxes;

The Court: The question may have a bearing on the question of ownership. Objection overruled.

Mr. Callaghan: And a further objection, if the Court please, that these conversations cannot be any conversation in furtherance of the conspiracy charge in this indictment.

The Court: Overruled.

543 (The following proceedings were had in the hearing of the Jury.)

Mr. Plunkett: Q. Will you answer the question?

A. Why, we discussed the settlement of the law suit.

There was a law suit pending at the time. It was a law suit for the recovery of gambling losses. It was filed in the name of my mother-in-law. They were my gambling losses.

Q. In what amount were these gambling losses?

Mr. Thompson: We object to that as immaterial.

The Court: Overruled.

A. Approximately \$16,000.00.

Mr. Plunkett: Who were the parties defendant to the law suit?

Mr. Thompson: I object to that as immaterial.

The Court: Overruled.

The Witness: The parties defendant in the lawsuit were William R. Johnson, Jack Sommers, William Kelly, James Hartigan and Peter Riley. Mr. Sommers asked me to see him at the Horse Shoe Club that evening, which I did. There was a conversation between me and the defendant Sommers at that time. Mr. Elmer Johnson and my wife were present. Mr. Sommers asked me what I wanted and I told him I hadn't thought about it. I hadn't definitely decided, and he made me an offer, and I accepted it. He offered me a thousand dollars in cash and he promised to obtain a position for me—some political appointment. I did accept the offer. I did not get the position at the time.

I next saw the defendant Sommers a couple of weeks
544 later at the same place. No one else was present.

There was a conversation between us then—I believe I asked him when I would obtain this position and he wasn't certain just when it would come—it would take time. That was all that was said on that occasion.

I saw the defendant Sommers after that on numerous times. I next saw him a few weeks later at the same place

—no one else was present. I believe the same thing was said on that occasion.

I finally saw him at the Dev-Lin Club and he put me to work there. I didn't do anything, I guess—just stayed around the outside of the building—didn't do any work that I was aware of—I was paid \$4.00 a day. I was supposed to park automobiles, but they had another fellow doing that, so I didn't do anything. I worked there from July 7th until September 25th, 1939. I didn't work for him after that.

I never got any more money.

I had a conversation with John Elmer Johnson in Sommers' presence.

Q. What was said between you and John Elmer Johnson on that occasion?

Mr. Thompson: Objected to on behalf of all defendants. Mr. J. E. Johnson is not a defendant.

The Court: Overruled.

The Witness: Mr. Sommers offered me this settlement and Mr. Johnson suggested or said that he would see what he could do about obtaining this position for me. I didn't have any prior conversations with John Elmer Johnson that I refer to in the presence of any one else. That is the only time. That is all that was said by him on that occasion.

545

Cross-Examination by Mr. Thompson.

I was a fleet operator in the Checker Taxi Company before I started gambling at the gambling houses. I was in that same employment during the period that I was doing this gambling. I started to gamble in the latter part of '36, I guess. I had gambled prior to that occasionally, many years ago. I first gambled in Chicago at the Harlem Stables. Some one suggested I go out there one night with them and I did, much to my regret. It was not any of these defendants. They had nothing to do with enticing me into their gambling houses. I went there voluntarily. I didn't make any holler about losing my money during the period of my gambling. After it was all over my mother-in-law filed suit against this group of people that ran these gambling houses. She thought they were running the different gambling houses where I lost my money. She got the names of the people that she brought suit against from me and I gave her the names of all the

folks that I thought ought to be sued, or that she thought ought to be sued—I don't recall which it was. I was not living with my mother-in-law then. She was not living with me.

After these people were sued my lawyer contacted them and undertook to settle the case. My lawyers were William Helfand and Samuel Morris. William Helfand actually handled the case. He didn't contact any one personally, to my knowledge. All I know is what he reported to me.

John Elmer Johnson whom I speak of is a lawyer. He is not one of the defendants I sued. He was acting as a lawyer when he was discussing this case with me. In this discussion with him and his client, Mr. Sommers, I finally arrived at a settlement of \$1000. Nobody else was present except me and my wife. My mother-in-law was not there. She did sign a release. No one else was plaintiff in that case except my mother-in-law. The suit was for \$45,546 000. It was brought under the statute which provides for recovering triple damages for gambling losses. If you lose fifteen you sue them for forty-five. That is what I did, but I took \$1000 in settlement, and that \$1000 was paid by Jack Sommers. None of the rest of the defendants paid me anything.

John Elmer Johnson told me there that William R. Johnson had nothing to do with the matter. He told us he was only there to eliminate his brother from the proceedings. After I got this settlement of \$1000, I also got a promise of a political job, and Mr. Johnson said he would do what he could to help me get it. That is Mr. John Elmer Johnson I am talking about.

I never met William R. Johnson. I didn't gamble with him when I lost any of this money. I didn't get the political job. I didn't try to get one. I was told they tried. I didn't get it and they gave me a job then in a gambling house, and I worked there for Mr. Sommers until the gambling house closed in September, 1939.

John Elmer Johnson told me that he would see what he could do to help get me a job.

Mr. Thompson: We move to strike all the testimony respecting this transaction, your Honor, as far as Mr. William R. Johnson is concerned; it is all hearsay as far as he is concerned; no connection with what his taxable income is or whether there is any conspiracy to evade taxable income.

The Court: Denied.

547 E. RALPH KAUDERS, called as a witness in behalf of the Government, having been first duly sworn, was examined and testified as follows:

Direct Examination by Mr. E. Riley Campbell.

My name is E. Ralph Kauders. I live in Chicago. I am a cotton broker. I have had occasion to visit places some time known as the D. and D., the Horse-Shoe and the Dev-Lin, over a period of two years, '38 and '39. I visited those three places at least a dozen times. I played dice in the D. and D. There was roulette games going on. I went there in the evening. The room was larger than this one. I saw substantially the same thing at the Horse-Shoe and about the same thing at the Dev-Lin.

In the course of this experience I came to know someone at these places just by nicknames. I did have occasion to give my personal checks in the course of my experience. They were drawn on the American National. I only save my checks until the first of the fiscal year. I don't have any checks beyond the first of January, 1940. The checks are destroyed, which is the natural thing for me to do.

Q. What was the range in amounts, if you remember?

Mr. Thompson: We object to all of this as immaterial, Your Honor.

The Court: Overruled.

The Witness: The range was, well, up to several hundred dollars. I occasionally looked at the endorsements on the back of those checks after they were returned to me by the bank.

Mr. Thompson: I object to this as calling for oral proof of what was in writing.

Mr. Campbell: They have been destroyed, Your Honor.

The Court: Overruled.

Mr. Thompson: We didn't destroy them.

The Witness: There was an endorsement stamped on the back of the checks.

548 Mr. Campbell: Do you recall what that endorsement was, that stamped endorsement?

Mr. Thompson: We object to that. No proper foundation, no connection with any of these defendants by any proof.

The Court: Overruled.

The Witness: There was a stamped endorsement that showed "Lawrence and Kedzie" something. I don't recall

exactly what the full name was. I how it was Lawrence and Kedzie. It was a stamp of a bank or a currency exchange. It was "Lawrence and Kedzie Currency Exchange", some such name.

Q. To refresh your recollection, wasn't it—

Mr. Callaghan: This is all objected to, Your Honor. The United States Attorney has not even seen these checks. He can't refresh his recollection on something he has not seen.

The Court: Overruled.

Mr. Campbell: To refresh your recollection, was it the Lawrence Avenue Currency Exchange, Mr. Kauders?

The Witness: I wouldn't recall the exact phraseology. I don't know, but it seems to me it was Lawrence and Kedzie Currency Exchange, or some such name.

I did visit the Bon-Air Casino at the Bon-Air Country Club three or four times during the summer of 1939. I see one gentleman in the court room now who was pointed out to me on one of those occasions (indicating the defendant Johnson). He was just generally looking around the room.

I did not give checks at the Bon-Air Casino.

Mr. Thompson: We move to strike the testimony of the witness, as in no way tending to prove any taxable income of the defendant Johnson, or any attempt to evade payment of taxes on taxable income.

The Court: Motion denied.

549 RUTH WAKEFIELD, called as a witness in behalf of the Government, having been first duly sworn, was examined and testified as follows:

Direct Examination by Mr. Hurley.

My name is Ruth Wakefield. I am employed by the Internal Revenue Agent in Charge, in Chicago. I work at the office at 105 Adams Street. I have been employed in that department five years as a stenographer. I had stenographic work before that for about fourteen years. I had high school education and then a business course as to stenographic work. In my course of training I took stenography and shorthand and I have been practicing shorthand and doing typewriting over a period of fourteen years.

I have, in the course of my work, had occasion to take

statements where questions were asked and answers were given. I have done that on many occasions. I had occasion to take a statement on March 27, 1939. I took Mr. William Johnson's statement. I see Mr. Johnson here. That is the same man whose statement I took at that time. Mr. E. Riley Campbell was present when that statement was taken and Mr. Lewis Wilson and Mr. Frank Clifford. That statement was taken in Mr. Wilson's office, in the agent's office up there.

There were certain questions asked at that time and place. There were certain answers given to those questions. I wrote those questions and answers down in short hand, and after I had written them down in shorthand I transcribed those shorthand notes.

Government's Exhibit Number O-207 marked identification is the statement that I took from Mr. Johnson on March 27th, 1939. It is a true and correct transcription of the notes that I have testified I took, shorthand notes.

I took of the questions that were asked and the answers that were given on March 27th, 1939.

Mr. Hurley: At this time, if the Court please, I wish to offer in evidence GOVERNMENT'S EXHIBIT O-207, for identification.

Cross-Examination by Mr. Thompson.

I did not take every question that was asked during this interview.

Q. Did you take down every answer that was given at the time it was given?

A. There was an explanation off of the record. That is, sometimes they would ask questions and give answers back and forth and then when they got ready to put one in form to be in the statement I took it down. I only remember one time that witness asked to be allowed to make an explanation off the record and I was told not to put that down. They talked it over and then when they got through discussing it they told me to continue.

I don't remember if I was in the room when Mr. Johnson came into the room with these men. I don't know how long he had been in there with these men before I came in to take the statement. I don't know what had been said before I came in. I don't know what promises, if any, had been made to him. I don't know what statements if any had been made to him. I don't remember

whether they were all assembled when I walked in there, or whether they came in after I got there. I wasn't there alone, I know that. If I went in before the others came in Mr. Wilson was in there.

I am Mr. Wilson's personal stenographer. He is the man in charge of the fraud section of our office. I have been working for him ever since I have been in this office. I was in the Bureau of Internal Revenue in Washington prior to being in this office. I did not come here with Mr. Wilson when he came here. Chicago is my home now.

It was not before.

551 Mr. E. Riley Campbell asked the questions. Mr. Wilson might have asked some, I don't remember. If anybody else did it was Mr. Clifford but I don't remember that he did. Mr. Johnson was present excepting the three I have named. No other Government men were present.

Mr. E. Riley Campbell is a special attorney, I believe, connected with the Treasury Department in some way. That is Mr. Campbell here, sitting second from me, and Mr. Wilson that I mentioned is an agent, and this Mr. Cliqord that I mentioned is an internal revenue agent.

Nobody was here as an attorney for Mr. Johnson at the time this statement was taken. Mr. Johnson was there alone as far as his side of the picture was concerned.

Mr. Wilson, Mr. Campbell and Mr. Clifford did not all ask the questions at once. If they all three asked questions then they would alternate.

I took down the exact words that were asked as far as I recollect. I took down the exact words that Mr. Johnson gave. I assume that I started taking this interview as soon as the conversation started. I am sure that after I came into the picture I took the first question that was asked. Everything that was said while I was in the room is transcribed on these pieces of paper except when I have a notation in there that an explanation was made off of the record.

I don't remember any greeting of any kind between these men when I came in.

Q. Did the interview start off as bluntly as it starts off here, with the first words said: "For the purpose of the record, Mr. Johnson, what is your full name," is that the first thing that was said after you came in?

A. I suppose so because that is the way they do start.

And then the first answer was "William R. Johnson". I have my notes with me. They have been in the

552 office ever since they have been written. I have a notation in the front of the book showing all testimony that is in that book and nothing is in that book but testimony. I mean these interviews that I take. I have an index in the front of the book. I wrot down the date at the time I took this interview, in the index, and also at the beginning of the statement. And I also write down who is present and asks the questions and who gives the answers.

My notes show that the word you indicate is "persecution" and not "prosecution." Reading further from my notes, they show Mr. Campbell to have stated:

"Now, our information again is that you are an interested party in a number of gambling houses around here and I am inclined to think that our information will be found to be correct.

So that being the case your story here this afternoon is not in accordance with our information.

Now, I want you to think that over seriously between now and the next time you come down. You will have a return engagement here and at that time I think I shall confront you with places, but there is always a—also a penalty for perjury here on these questions and answers. I am going to caution you about that.

The next time you come down here, if you want to stand on your statement given here—given today, it is all right. I am not threatening you. I want—

I am not threatening you. I want to square up the situation one way or the other that you did or didn't own these places and that is not newspaper stuff either.

Do you want to make any corrections or additions to any of your answers?"

553 The Witness: That statement was made by Mr. Campbell and there was no lawyer present with Mr. Johnson at the time.

I don't know if Mr. Campbell brought Mr. Johnson back for this second interview he promised him. I did not take any second statement. This one, taken on March 27, 1939, was the only one I took.

I don't know when the indictment was returned in this case. From time to time I was taking statements right along. I am the only one that takes all the statements that Mr. Wilson would have taken in his office. I don't know whether or not I took all the statements that Mr. Campbell would have taken as special attorney. I would take all the statements Mr. Clifford would have taken if they

were taken in our office. I have written down here everything that occurred there the day while I was there, except where I state on here that something was done off the record.

I possibly began to transcribe these notes the same day. I do not remember about that. This statement that I have in my hand, which is marked Government's O-207, was transcribed at least shortly after I took the statement. After I finished transcribing it I gave it to Mr. Wilson. I don't know what Mr. Wilson did with it.

I read my notes back with this statement just before I got on the stand to see whether it is complete in all ways that it was at the time I delivered it to Mr. Wilson. Someone was holding the statement at the time. This copy that you have in your hand that the Government has offered in evidence. A stenographer for the Intelligence Unit 554 was holding the copy. I read my notes and she held the copy. That was done on Friday before Labor Day. I have not seen this statement since then until today.

I fastened the statement together before I delivered it to Mr. Wilson. I don't know of any changes that have been made in it. I do not know whether Mr. Johnson read this statement after I wrote it. I wouldn't know if he signed it unless that is signed. I examined it just now and it has not been signed.

The Court: Is it admissible against anybody other than Mr. Johnson?

Mr. Hurley: No, I don't think it is. Does your Honor want to see the statement?

The Court: I don't think it is admissible against anybody other than Mr. Johnson. It may be received.

(Witness excused.)

(Which said document so offered and received in evidence was marked GOVERNMENT'S EXHIBIT O-207.) Thereupon there was read to the jury the statement of

WILLIAM R. JOHNSON:

I live at 4224 Hazel Avenue, Chicago. I am a speculator or gambler. The \$255,240.70 specified as income from business on my return for the year 1937 is income from diversified gambling, mostly crap shooting. I did not own any of the gambling houses, nor was I in partnership with anybody operating gambling houses, nor was I associated with anybody so that I shared the profits and expenses

of the business. I obtained this income from gambling, principally crap shooting. I just gambled with a percentage in my favor. I operated the gambling table.

Q. Now, that answer involves the same stories you related in here a while ago.

A. Well, I take pieces of fellows' play, and I gamble wherever a gamble shows. That's the way I'd explain it.

555 Q. As I understand, you receive calls from owners or operators of gambling houses that they need some one down there to back the play, so to speak, and you go down and take over. Is that what you mean to tell us?

A. Yes.

Q. Do you furnish the bank roll?

A. Yes.

Q. And get all the winnings, or a part of them?

A. Yes, and no. Sometimes all of them; sometimes part of them.

I have no record of the places where I gambled in 1937 in the manner I have described. I own properties which I lease to tenants who operate gambling houses, one is at the northeast corner of Dearborn and Division, which is leased to Kelly. Another at 4020 Ogden Avenue, which is leased to Flanagan. There are no others. I have gambled in these places. I gambled in them in 1937. I know nothing about the form of lease I have with Kelly. Sam Tavelin, whose office is at 33 North La Salle Street, is the real estate man in charge and he can tell you the terms of the lease. During 1937 I took over a dice table at a gambling house and banked the games, but I don't remember when and where.

I would say I have known William R. Skidmore twenty years. I have had no business transactions with him. I did loan him \$37,000.00 if you call that a business transaction. I don't. The loan wasn't secured, nor evidenced by any writing. Just his word. I first loaned money to Skidmore about 1934 or 1935. I do not remember how much I loaned him at that time. The total of the loan at this time is \$37,000.00. The loan was made in cash. I kept

556 bank accounts at the Northern Trust and at the Continental Illinois. The personal account at the Continental Illinois is in my name. The building accounts are at the Northern Trust. That's for the Lincoln Park Building and the Thorndale and Glenwood Building. I bank some gambling money. Part of the money I put in the banks is gambling money. That's where I derive my in-

come from. All funds deposited in these bank accounts are either from gambling, the operation of my properties, or my farm. I also have an account in a Wheaton Bank. In the operation of my gambling business it is necessary to have a considerable amount of currency on hand. I keep that currency in a safety deposit box at the Northern Trust Company, or on my person.

My 1937 return was prepared by Mr. Radomski. I have known him since 1926 or '27. He worked for me as a bookkeeper at the Lawndale Greyhound Race Track. Mr. Brantman prepared my tax returns over quite a period of time prior to Mr. Radomski. I changed from Brantman to Radomski because I knew him from having worked for me and knew that he knew something about making out returns, and I decided to give the business to Radomski in preference to Brantman. There are no other reasons. Mr. Brantman's work was satisfactory.

Q. What data or information did you submit to Mr. Radomski pertaining to your gambling transactions for the purpose of compiling your 1937 return.

A. I just gave him the amount.

Q. In what manner did you give him the amount?

A. Like I put it on my return.

Q. Where were you and where was Mr. Radomski when you gave him these amounts?

A. I would say at the farm. I'm not positive, though, because I gave him some records out there—farm records.

At the farm, I'm pretty sure—positive.

557 Q. How did you transmit this information to Mr. Radomski pertaining to your gambling business?

A. Gave him the total figures.

Q. By word of mouth or in writing?

A. I had the figures and showed him the figures, and told him to mark them down.

Q. Were these figures broken down as to month?

A. I gave them to him in a lump sum.

Q. Why did you do that?

A. That's the way I have been filing all the time for years.

Q. What kind of records do you keep of your gambling business?

A. Monthly records.

Q. In what form?

A. Total amount.

Q. How about from day to day?

A. I don't have any day to day records.

Q. Then you do keep day to day records?

A. Yes, but I destroy them; just put the total down.

Q. In what form are the day to day records?

A. Just the amount of winnings.

Q. What kind of note books do you keep this data on, or is it on plain paper, or what?

A. Just plain paper.

Q. Then at the end of the month you have thirty slips of paper and you total these and make a monthly summary.

A. Or carry it over from day to day.

558 Q. Well, would you carry more than one month's records from day to day?

A. No.

Q. In other words, you keep day to day records, then at the end of the month you strike a total?

A. If I have a day to day. Some days I'm not in action.

Q. Do you keep your month to month records?

A. No. Yes. I keep a total at the end of the month. In other words, I have a certain amount of money when I start out. At the end of the month, whatever I have left—the money is there, in case I should happen to—I know exactly at the end of the month just what I do.

Q. You spend out of those monies as you go along from day to day?

A. No.

Q. Do you keep your pocket change separately?

A. Yes.

Q. When did you first destroy these records? In this scheme of bookkeeping that you've outlined here, what records do you destroy first?

A. I wouldn't say it's a scheme.

Q. Well, system, then. Let's call it a system.

A. All right, system. Just jot down the figures and at the end of the month it's there, and the money has got to answer to the figures, that's all.

I destroyed the day to day records, but I kept the month to month records. I have them now in this book. The figures shown for 1937 are: January \$31,150.00; February \$29,500.00; March \$41,350.00; April \$26,300.00; May \$34,250.00; June \$32,200.00; July \$30,175.00; August \$33,450.00. The rest of the months I was out of action. I did no gambling from September to December inclusive.

559 My books show for 1938: March \$16,150.00; April

\$21,200.00; May \$17,800.00; June \$24,150.00; July \$27,100.00. For the rest of the year I was out of action.

My books show for 1936: January \$12,000.00; February \$6,500.00; March \$15,000.00; April \$14,300.00; May \$16,500.00; June \$22,000.00; July \$12,000.00; November \$24,000.00; December \$26,000.00.

In 1937 I gambled at Dearborn and Division, Lawrence and Kedzie, 63rd and Cottage Grove, Ogden, and Crawford. That's my own gambling houses. Outside the permanent places I played private. I couldn't name the individuals with whom I played privately in 1937. I don't ask their names. I know them when I see them around.

William Kelly is proprietor of the gambling house at Dearborn and Division and Andrew Creighton of the one at 63rd and Cottage Grove. I do not know the name of Creighton's house. It's on the second floor. They have bookmaking and other gambling there. I have known Creighton for twenty-eight years. He's been in the gambling business for many years. Jack Sommers runs the gambling house at Lawrence and Kedzie. I have known him for about fifteen years. He has been in the gambling business for some time.

Q. Now you stated a while ago that you sometimes would take a piece of the play from these individuals. What did you mean by that. That's correct, isn't it. Didn't you state that you would sometimes take a piece of the play from these individuals?

A. Yes.

Q. Tell us what you mean by that?

A. I'd take part of their gamble. If the gamble was too high for them, I would take a piece of it.

Q. On a percentage basis?

A. Yes.

560 Q. Is that a standing arrangement that you have with these individuals?

A. Nothing definite.

Q. Well is it a continuous arrangement?

A. No.

Q. In other words, they have to have a specific arrangement with you each time you do this?

A. Yes.

Q. Well, when you make such an arrangement, what percentage of the profit do you retain for yourself?

A. It varies.

Q. Give us the range of percentage.

A. Whatever amount of money they want to put up governs the percentage of the winnings they take.

Q. What's the greatest amount that you put up with any of these individuals in 1937 in order to make such an arrangement as you did?

A. I don't remember.

Q. Did you put up as much as \$100,000.00 at one time?

A. No.

Q. As much as \$50,000.00?

A. No.

Q. What's the greatest amount that you did put up, then?

A. I don't remember.

Q. What would be the circumstances under which you would enter into such an arrangement?

A. The gamble would be too high for them to handle, and I take part of it.

Q. In other words, the game would be in progress at their place of business?

A. Yes.

Q. And the bettors would want to get more than the 561 the proprietors of the house could stand to bet. Is that it?

A. I'd say yes.

Q. Well, is that the fact?

A. Yes.

Q. Then did they call you by 'phone and you go out there, or what did you do following that?

A. Either by 'phone or personally—contact me personally.

Q. Then you make the arrangements with them whereby you agree to back the game?

A. Right.

Q. Then when the game is over do they report back to you as to results?

A. Yes, or I'm right there when the gambling is on.

Q. Where do you say you live?

A. 4224 Hazel Avenue.

Q. And you go from there to the south side when they call you?

A. Yes.

Q. And stay until the game is over?

A. Not necessarily so.

Q. Well, in the instances where you're not personally present, how do you verify as to the outcome of the game?

A. I trust human nature.

Q. In other words, you take their count?

A. Yes, sir.

Q. Well, now, did you ever personally take over the dice table at any of these places and run it yourself for a period of time while a game was in progress?

A. In 1937 I have. I just don't remember when.

Q. You don't remember whether you did that in 1937 or not?

A. I have, yes, at different times, but I don't remember when.

562 Q. Well, did you do that at any time in 1937?

A. Yes.

Q. In what place?

A. Those that I have mentioned.

I have nothing to do with the equipment of these places to protect them against robbery and I could not say how they are equipped. There are no machine guns around there. I believe they search the patrons as they come in. I do not know whether they have a frisker, but I would say that they employ men to take the hardware off of patrons. I do not think we have many hoodlums and thugs around those places. I do not take a bodyguard with me. I just walk into those places unprotected with a large bank roll on me and go ahead banking the house. I do not know whether it is safe but I just don't have any bodyguards. Never had a bodyguard in my life. I wouldn't say that it is perfectly safe to go in a gambling house. Drinking is not permitted on the premises. I do not pay much attention to whether there are attendants who look after the convenience of the guests. I am just interested in gambling. I do not know whether they serve food. I have been in the Chez Paree gambling place but I never gambled there.

Q. Well, Mr. Johnson, our information around here is to the effect that you own, or at least have an interest in a number of gambling houses in Chicago. Do you say that is or is not the fact?

A. No. It's newspaper talk.

I have been around Mr. Skidmore's place of business. I wouldn't say quite a bit, but every now and then he visits my farm and I visit his farm.

I have owned a gambling house. It was a few years ago. I do not remember just exactly how long. I quit owning a gambling house because I could make more money on the

outside. I wouldn't say the way I gamble amounts to syndicate gambling.

563 Q. Well you underwrite gambling and take a percentage for the risk. Isn't that what it amounts to?

A. (Witness merely shrugged his shoulders.)

During 1937 I didn't sustain any losses. I have won every game I played in. I do not remember about 1936 or 1938. I had a Packard car during 1937 which I used in my gambling business, going from place to place looking for games. I used a car exclusively for that purpose.

I bought the Arthur Cutten property at Glen Ellyn and paid \$148,000 in currency for it.

On my return there are deductions for operating the Packard car, \$308.20 for gas and oil; \$420.00 for storage and parking; \$187.85 for insurance; \$75.00 for maintenance and service; \$863.25 for depreciation. I keep records covering these items. I used the car part time for pleasure. I am looking for business all the time. I turned over the matter of figuring out the expenses to Radomski. I think the books containing the items are gone.

Q. Why do you conduct your gambling business all in currency and keep no records of it?

A. I must gamble for cash.

Q. Well, it has been a consistent practice of yours, Mr. Johnson, hasn't it, for at least three years now, not to keep records from which the Government could verify your gambling records?

A. That's the only records I ever kept, since the first year income tax came out. I was never told to keep any different records.

Q. You keep records in detail concerning your legitimate business, do you not?

A. Yes.

Q. According to your tax return, that's a fact, isn't it?

A. Yes.

564 Q. And as regards your gambling business you keep no records at all, except the little black book with the total monthly entries in it.

A. That's right.

Q. Well, now, how is the Government ever to check your gambling figures to know if they're correct?

A. I was never informed to keep them any different. They've always been accepted that way.

Q. Who told you to keep them that way?

A. I'd say Mr. Arndt. He didn't exactly tell me that.

He told me, "We don't care how you make your money, just so you file on it". It's always been accepted.

Mr. Radmonski was a former deputy collector. I never asked him any advice about how to keep my records. He just computed my tax and filed the return. I have never refused to give either Mr. Brantman or Mr. Radmonski any detailed figures concerning my gambling income.

Q. You've failed to do that, haven't you?

(No answer.)

There is no reason why I shouldn't be held to the same standard of conduct with my Government as the ordinary business man. The only reason for not keeping records is because my business is illegal and subject to persecution by local authorities. The Better Government has never persecuted me in connection with my tax return. They have been very fair with me. Now that I know that I should keep books and records so that my returns can be verified, I shall be glad to do so from now on. In the past I did not know that they were required. I never knew before that the law requires a taxpayer to state specifically the items of his gross income and the items of his deductions.

565 I always filed and my returns have been accepted.

From now on I will be glad to keep whatever records you shall tell me to keep. I didn't know that there was a penalty for failure to keep such records and supply such information.

Mr. Campbell: Now, our information again is that you are an interested party in a number of gambling houses around here, and I'm inclined to think that our information will be found to be accurate, so that being the case, your story here this afternoon is not in accordance with our information. Now, I want you to think that over seriously between now and the next time you come down. You'll have a return engagement here, and at that time I think I shall confront you with places. And there's also a penalty for perjury here on these questions and answers. I'm going to caution you about that. The next time you come down here, if you want to stand on your statement given today, it's all right. I'm not threatening you. I want to square up the situation one way or the other, that you do or do not own these places. And that isn't newspaper stuff, either. Do you want to make any corrections or additions to any of your answers?

A. No, sir.

WILLIAM M. BRANTMAN, called as a witness on behalf of the Government, having been first duly sworn, was examined and testified as follows:

Direct Examination by Mr. Hurley.

My name is William M. Brantman. I live at 40 East Oak, Chicago. I am an accountant and auditor—for about twenty-four years. I have had grammar, high school, college training, special training in my profession, income tax and other work.

566 I have been practising my profession in and about the city of Chicago twenty-four years and during that time I have had a considerable amount of income tax work. By income tax I mean filing of income tax schedules for clients and preparing those returns. The nature of my work is also attending conference work that comes up by examination of tax returns, revenue department and treasury department. The Internal Revenue Department is a branch of the Treasury Department that handles examinations of income tax returns, and I would represent clients before those bodies.

I was a revenue agent from the period of about 1920 to 1923. My particular type of work in that service was auditing income tax returns of individuals, estates and trust corporations for the Internal Revenue Department. I was located here in Chicago in that service. That was from '20 to 1923. Part of the time I was in Washington taking a forty-five day course in training. That was early in '21.

I know the defendant William R. Johnson. I have had occasion to prepare and file income tax returns for the defendant Johnson. The first time I recall I prepared returns for Johnson in 1924 and 1925 shortly after I left the Government service. I filed returns for the defendant Johnson up to the year 1935. I did file a return for the year 1935.

I prepared Government's Exhibit R-6. That is the return for the calendar year 1932. That is the signature of W. R. Johnson.

I prepared Government's Exhibit R-7 for the defendant Johnson. That is the signature of the defendant W. R. Johnson.

I prepared Government's Exhibit R-8. The signature of the defendant Johnson appears on that.

I prepared Government's Exhibit R-9, for the defendant Johnson. His signature appears on that document.

With reference to these returns, Government's Ex-567 hibits R-6, R-7, R-8 and R-9, I got the figures on R-6,

Item 2, "Income from business or profession \$44,142.25" from Mr. Johnson. He did not submit books and records from which I secured that figure. I obtained that figure in one lump sum. I did ask him from what source that income came. He told me gambling sources.

I received the figure from Mr. Johnson on Line 2 "Income from business or profession" for the calendar year '33, the item of \$85,680.00 on Government's Exhibit R-7.

The item shown on Schedule A represents betting, commissions and gambling. The item is \$88,600.00. The first figure you have shown me is deductions from the \$88,000.00 item. I was not submitted books and records by the defendant Johnson as to the last item of \$88,000.00. I got that figure from the defendant Johnson in one total figure. There was no itemization at all of that figure.

I got the item "Salary, wages, commissions" etc., the figure of \$134,811.46, on Government's Exhibit R-8 from Mr. Johnson. He did not submit books and records to enable me to arrive at that figure. He gave me that figure in one total sum.

There is no schedule as to that item shown on any part of that income return. There should be an itemization on that on the back of the sheet. I do not know of any reason why that is not on there. I do not recall how I got those figures I am referring to in these exhibits. Perhaps it was on a slip of paper, one notation.

I believe I did talk to the defendant Johnson as to whether he should keep books and records as to that income. I told him the Government was demanding that everyone keep books and records of their various income; he would have to have some detail, whether it was received monthly, weekly, or how; even a notation that way would be of some benefit. I don't remember exactly when I told him that.

Possibly '34, '33. The best I can recall he may have 568 said, "All right".

I was not submitted any books and records as to income tax for 1935, Government's Exhibit R-9, Item 2. It was prepared subsequent to the time of the conversation

that I have related. I did have a talk with the defendant Johnson in 1932 relative to income tax matter. It took place in my office, 10 South La Salle Street.

Mr. Callaghan: Objected to, if your Honor please, on behalf of all of the other defendants; conversation in 1932, ten years before the return of this indictment.

Mr. Hurley: These returns from 1932 on are already in evidence, have been admitted.

Mr. Callaghan: Relating a conversation—

Mr. Thompson: They were not admitted against any of the other defendants.

The Court: What do you say about them being received against the other defendants?

Mr. Hurley: I expect, before I get through with this witness it will be for them, too.

The Court: It may be received, if it will be connected with the other defendants.

The Witness: I said the Government was making a drive on income tax returns of individuals whose revenue was from illegal games, and that if there are any men or employees he might have, it would be well to have them file, provided they made the required sum prescribed by the regulations.

If an individual handled five thousand gross receipts for the year, regardless of the net result, or if he had made fifteen hundred, as an individual person or thirty-five hundred as a married man, it was incumbent upon him to file at that time.

Johnson said, "I'll see". I talked to him about the same subject some time later. It may have been a short time afterwards.

569 I received a call to come out to the Horse-Shoe Restaurant. I don't know who placed the call out there that evening. I was introduced to a man by the name of Sommers at the Horse-Shoe Restaurant. He was upstairs in the gambling room. I think it was identified as the Horse-Shoe. I met Johnson there. I was introduced to the defendant Mr. Sommers. Johnson asked me to repeat to Mr. Sommers exactly what I told him. I do not believe I had known Sommers before that. I met Mr. Johnson first. He introduced me to Mr. Sommers. I repeated to Mr. Sommers exactly what I had said to Mr. Johnson, that if any of the men that had received over and above the sum as specified by the regulations, or if they handled

five thousand cash gross per year, regardless of the net results, that it was necessary for them to file, since the Government at that time was starting to accept tax returns on illegal games.

I may have talked to others than the defendants Johnson and Sommers.

I believe the following year, that is, in '33, for the year '32, I filed a return for the defendant Sommers. I prepared the return Government's Exhibit R-35 for identification. That is the signature of Jack Sommers in the lower right-hand corner. I got the information with which to prepare that return from Mr. Sommers. He did not submit books and records to make that return.

Mr. Callaghan: Objected to, Your Honor, as being immaterial; for the calendar year 1932. It is not in evidence.

The Court: Overruled.

The Witness: I prepared Government's Exhibit R-36 for identification. I got the figures and the material with which to prepare that return from Mr. Sommers. He did not submit books and records from which the return was to be prepared.

570 The Court: Overruled.

I prepared the return Government's Exhibit R-37 for identification. That is the signature of the defendant Sommers appearing in the lower righthand corner. I got the information from which to file that return from Mr. Sommers.

Mr. Callaghan: Same objection.

The Court: Overruled.

The Witness: I received that in the form of one figure. He gave me the figure from his own notation.

I prepared Government's Exhibit R-38 for identification purporting to be the individual tax return of the defendant Sommers for the year 1935. I got the information from which to prepare the return from Mr. Sommers. He did not submit books and records to me from which to prepare the return. I got the information in the same form I have described before.

And those returns, Exhibits 35, 36, 37 and 38, were all prepared by me as I have described.

As to these same Exhibits, 35, 36, 37, and 38, Mr. Sommers did disclose the source of the income was from gambling on all of them.

Government's Exhibit 37 shows "Salary" on the face of the return.

There was a conversation that evening between myself, Johnson and Sommers in the Horse-Shoe gambling room as to the preparation of returns.

Mr. Callaghan: Objected to, if Your Honor please, on behalf of the other defendants.

The Court: Overruled.

The Witness: That Johnson's name was not to appear on these returns as the employer. By these returns I mean of any of the individuals that are filed for.

The return Government's Exhibit R-14, for identification was prepared by me. That is the return of William P. Kelly. I got the information from Mr. Kelly to prepare that return. That was for the calendar year 1934. He did not submit books and records for me to use in the preparation of that return. I got the information in one figure from Mr. Kelly verbally. He told me that the source of that income was as an employee. I did not in the preparation of that return show who the employer was.

I met Kelly some time after this conversation at the Horse-Shoe gambling house with Johnson, that I have told you about. I did not know where Kelly was working. I found that several years later. I believe at the D. and D. Club.

I did prepare Government's Exhibit R-15 for identification purporting to be a return for the calendar year 1935 for William P. Kelly. I got the information from which to prepare it from Mr. Kelly verbally. He did not submit any books and records from which the return could be prepared. I got the information that his occupation was a clerk from general topic of conversation with Mr. Kelly. I came to the conclusion that he was doing some clerical work. I can't recall if I got the information from Kelly. It may have come out in the course of the conversation between us. I talked with him about that return in my office here on La Salle Street. That is Kelly's signature appearing in the lower righthand corner.

I prepared Government's Exhibit R-16 for identification purporting to be the income tax return of William P. Kelly for the year 1936. I got the information to prepare the return from Mr. Kelly. He did not submit books and records to me for use in the preparation. I got the informa-

tion that it contains from Mr. Kelly. I do not know as to what place I got that information. I got the information as to the occupation "Manager" from Mr. Kelly. I knew he was working in the gambling places. I assumed he was managing a gambling place.

I don't recall having seen Government's Exhibit 572 R-16-A for identification before. I don't recall where I met Kelly.

The subsequent conversation that I related here that I had with Mr. Johnson was in the Horse-Shoe gambling house. The name of the employer does not appear on Government's Exhibit R-16.

I prepared the return Government's Exhibit R-52 for identification, purporting to be the individual income tax return for the calendar year 1934 of James A. Hartigan. I received the information to file that return from Mr. Hartigan. He did not submit books and records from which to prepare that return. I got the information in one total figure verbally. I evidently got that information "Manager" stated on the return from Mr. Hartigan. He did not submit books and records from which to prepare that return. I got the information from one total figure verbally. I had met him at gambling houses.

Mr. Thompson: To all this line of examination, Your Honor, without interrupting, I want to object on the ground that the defendant, other than the one with whom the conversation is being held are certainly not bound by the statements. It is a conclusion stated by this so-called income tax expert on these documents and is not binding on these defendants.

Mr. Callaghan: At the same time, Your Honor, that the objection does not have to be repeated to each individual exhibit, we object to all of this examination, so far as any income tax of any of the defendants prior to the year 1936, on the ground that that matter, and those conversations with respect thereto are all immaterial to the inquiry here.

The Court: Overruled.

The Witness: I don't quite recall if he told me what he was manager of. I knew he was interested in gambling ventures.

I prepared Government's Exhibit R-53 for identification purporting to be the individual income tax return for the calendar year 1935 of James A. Hartigan. I got the 573 information from which to prepare it from Mr. Harti-

gan. He did not submit books and records from which I could prepare the return. I obtained the information in one figure verbally. He stated that the source of income was salary and bonus. He did not state from where the salary and bonus came.

I first met Hartigan at the Horse-Shoe Restaurant. That was subsequent to the conversation I have related here as to between myself and the defendant Johnson in the Horse-Shoe gambling house.

I prepared the return Government's Exhibit R-44. I got the information to prepare it from Mr. Flanagan. I believe I met Mr. Flanagan at the Horse-Shoe Restaurant.

Mr. Hess: If the Court please, I would like to note an objection to this testimony at this point on the further ground than that which has been stated that the conveyance of this information by these taxpayers to this financial attorney is confidential and cannot be revealed in this fashion without their consent. The point that comes to mind is this: If there is any question about the accuracy, if the defendants were being prosecuted for something that was wrong with the income tax, I think the statute gives the government all power to make inquiry respecting that return from the taxpayer, but not for the purpose of establishing something in connection with another man.

The Court: You are talking now about privilege, I understood you.

Mr. Hess: Yes, that goes right with it.

The Court: Objection overruled.

The Witness: That is the signature of Flanagan appearing in the lower righthand corner. I did not state the occupation, business or profession of the taxpayer in preparing that return.

Mr. Hurley: Did you in securing the information to 574 prepare this return learn what the source of the income of Flanagan was?

Mr. Hess: That is objected to as being improper. We are not responsible for what he learned. If he was negligent in any way in making out these returns as an officer of the Treasury Department in a sense, he is an attorney there, we are not to be held for that. It is conversation.

The Court: Overruled.

The Witness: Yes. It shows on that return as miscellaneous income.

I prepared the return Government's Exhibit R-45 for

identification. I obtained the information with which to prepare the return from Mr. Flanagan. The defendant Flanagan's signature appears on that document at the bottom. Flanagan did not submit books and records to me to be used in the preparation of this return. He did disclose to me the source of the income which I stated on the return. He stated salary and bonus. He did not state from whom he received it.

I prepared the return Government's Exhibit R-58 for identification. I received the information with which to prepare the return from Andrew J. Creighton.

As I recall, I first met Creighton perhaps in '33 or early '34 at my office. I was introduced to him by the defendant Johnson. The best I can recall, Johnson said, "Take care of Mr. Creighton", by that meaning file his tax return. That is Creighton's signature appearing in the lower right-hand corner of that document. Creighton did not submit books and records to compile that return. The information was given me in one total verbally. Mr. Creighton intimated the source of income was from gambling ventures, as commissions.

Government's Exhibit R-59 for identification was the return for the calendar year 1934 for Andrew J. Creighton prepared by me. I secured the information to prepare that return from Creighton. Creighton's signature appears on that document.

I prepared the return Government's Exhibit R-60 for identification. That is the return of Creighton for the year 1935. I received the information with which to prepare that return from Mr. Creighton. There were no books or records submitted to me to be used in the preparation of that return. It was secured the same as I have described the previous exhibit. Mr. Creighton disclosed the source of his income as from salaries and commissions, I believe.

I prepared the return Government's R-61 for identification, purporting to be the income tax return for the year 1936 of Andrew J. Creighton. Creighton's signature appears on that document. I received the information with which to prepare Exhibit R-61 from Mr. Creighton. Creighton disclosed the source of income was from gambling ventures. It is marked miscellaneous commissions on the face of the return.

I prepared Government's R-80, the return of E. H. Wait. I obtained the information to prepare it from Mr. Wait.

Mr. Wait's signature appears on that document at the bottom. Mr. Wait submitted some records to be used in the preparation of that return. There were no books. May I see the return? Under Item 5, income from Lawndale Greyhound Park. A partnership return was filed. This is a partnership income. Under profits from sale of stocks or bonds there were losses, \$26,893.25. Under Item 11 there was miscellaneous income and speculation \$5,000.00.

I prepared the return Government's Exhibit R-81 for identification for Mr. E. H. Wait. That is for the calendar year 1935. The signature of Wait appears on that document at the bottom lower right-hand corner. There were no books and records submitted to me to be used in the 576 preparation of that return. I got the information to prepare the return from Mr. Wait in the form of totalled figures. I can't be positive whether it was written or oral. Mr. Wait was out of town one year and may have sent this to me with the data and the signed return. I can't recall. The source of the income was disclosed to me by Mr. Wait from speculative sources.

I prepared the return Government's Exhibit R-24 for identification. I received the information with which to prepare that return from Reginald E. Mackay.

I first met Mackay early in 1935. I believe at my office. He had been sent to me, I believe by Garrett Meade. Mr. Mackay did state the source of the income disclosed on that return. He said that the source of the income was from salary and some from rental income. He did not disclose where the salary came from. That is Mackay's signature appearing on the lower right-hand corner.

I prepared the return Government's Exhibit R-25 for identification, purporting to be the return of Mackay for the year 1935.

I secured the information from which to prepare the return from Mr. Mackay. His signature appears on the lower right-hand corner of that document. Mackay disclosed to me the source of the income of the figures I used to prepare this return. He said the source was salary and rental.

577 Mr. Thompson: May it please the Court, you asked me yesterday when this matter of privilege came up to what statute I was referring when I said the statute was the authority on the proposition that a public accountant cannot reveal confidential communications. I knew there was such a statute but I couldn't think of just where

it was. It is in the Public Accountants' Act of Illinois, which is Chapter 110½ of our statutes, Section 19, which says, a public accountant shall not be required by any court to divulge information or evidence which has been obtained by him in his confidential capacity as a public accountant. That is the statute to which I was referring.

Mr. Hurley: It doesn't apply in the Federal Court, as I understand it.

The Court: Do you contend that applies here?

Mr. Thompson: Your Honor, I frankly state that I do not know whether it does or not. The rule that substantive law of the state shall govern in the matter of trials in the Federal Court within the state is one that has had some confusion in the Supreme Court of the United States and I admit I am still confused. If they are settled I don't know. But anyway, I merely call attention to the statute and I admit that I do not know whether it applies or not. Your Honor has had much more experience than I have had in that.

Mr. E. Riley Campbell: The Conformity Act has never been construed to lay down rules of criminal evidence in the Federal Court. I think that is the unanimous holding of the Supreme Court of the United States.

578 Mr. Thompson: I don't think this is a rule of criminal evidence. I think this is a rule of substantive law.

The Court: Overruled.

Direct Examination by Mr. Hurley resumed.

The Witness: I prepared the return, Government's Exhibit R-108, purporting to be the individual income tax return for the calendar year 1935 for John M. Flanagan. The signature of John Flanagan appears in the lower right-hand corner of that document. I received the information by which to prepare that return from John Flanagan. He did not submit books and records to me with which to prepare that return. He gave me figures that went to make up the return, verbally, in one lump figure. He stated that the source of his income was from his connection with gambling. He did not state what the connection was. He did not state what the gambling was. I believe it was salary and bonus. I was introduced to Flanagan by one of the men for whom I filed in the similar

group. I believe I first met him at the Horse-Shoe restaurant.

I filed these returns that you questioned me about yesterday afternoon after I had prepared them, at the usual place of the Collector of Internal Revenue in the city of Chicago. That office is located in this building. That applies to Government's Exhibits R-35, 36, 37, and 38, the returns to which I have testified about the defendant, Jack Sommers; and also Exhibits R-14, 15, and 16 as to the income tax returns of the defendant, William P. Kelly; and also as to Government's Exhibits R-44, 45, and 108, the income tax returns for defendant John Flanagan; 579 and also Government's Exhibits R-58, 59, 60, and 61, the returns of the defendant Andrew J. Creighton; and as to Government's Exhibit R-81, the return of the defendant Wait for the year 1935; and also as to Exhibits R-24 and 25, being income tax returns for the defendant Mackay for the years 1934 and 1935.

Referring to the conversation between myself and the defendant Johnson in the Horse-Shoe gambling house in 1932, Johnson said "Meet my man Sommers."

I prepared Government's Exhibit R-8, which is the individual tax return of the defendant Johnson for the calendar year 1935. Referring to the schedule appearing in connection with that with reference to an item shown, "Real Estate Taxes," these figures were the record that the real estate agent had, the man who handled the financial end of the building, such as the payment of bills and collection of rents. Those records were submitted to me for the preparation of that return at Mr. Johnson's instance. I cannot tell you what that item of \$20,273.96 is comprised of without my working papers. I had work papers on which I show a break-down of that figure. The document you show me is part of my work papers in connection with the preparation of that return.

Q. Can you tell us after looking at that work paper of yours what the item of twenty thousand odd dollars is made up of?

Mr. Thompson: We object to this as hearsay; no showing of any connection with anybody with this piece of paper he has got in his hand.

580 Mr. Hurley: He has testified they are his work sheets that he used.

The Court: Look at that paper. Does it refresh your recollection?

The Witness: A. Yes, sir.

The Court: Tell what it is.

Mr. Thompson: We object on the ground that it is not a matter of knowledge, but some computation he has made from some other figures.

The Court: Overruled.

The Witness: After looking at that sheet, I can tell that the figure of twenty thousand odd dollars real estate taxes, as shown on the schedule of the return, was comprised of taxes for several years. Some were delinquent taxes on the Lincoln Park building and taxes evidently paid in 1934. As shown on the schedule of that return, Exhibit R-8, the amount is \$20,273.96, comprising four years—\$5,110.42 in 1929; the next year, 1930, \$4,696.60; in 1932 two items, \$2,416.53 each; in 1933 two payments, \$2,063.41; and an item of compilation \$15,007.06, no computation. Those items which I have just read for the years mentioned were shown on the return of Johnson as taxes having been paid on his return for the calendar year 1934.

Q. Now, with reference to the list of exhibits which I have just asked you about, without reading them, I will ask you whether or not the name of the employer appears on any of those returns?

A. No, sir.

Mr. Thompson: We object to that as calling for the interpretation of a written document, your Honor.

The Court: Sustained.

581 Mr. Thompson: And, also, we object to any such inquiry as to a document relating to other peoples' income as hearsay, as to Mr. Johnson.

The Court: Overruled.

Mr. Hurley: Q Were those exhibits which I have just previously enumerated made subsequent to the time Johnson told you that his name was not to appear on returns as employer?

Mr. Callaghan: That is objected to as argumentative and an attempt to throw innuendo into the question.

The Court: I will let him answer.

The Witness: A. Yes. Sir. I would prepare returns for other persons than the ones I have told you about here, out at the Horse-Shoe restaurant. I met them by appointment made by various of the individuals. One person that made the appointments was Jack Sommers. I

would call him and ask him when any of the other men were going to file their tax returns, and he would make appointments with the different individuals and I would keep them. After the appointment was made with reference to preparing returns, I would obtain my information directly from the individuals. I would usually meet them in the Horse-Shoe restaurant. I can't just select that individual in each specific instance that he made appointments for. James Hartigan, Claude Sullivan, and Roy Love made appointments for me.

I first met Roy Love at the Horse-Shoe restaurant. I was introduced to him I don't recall by whom. I did prepare returns for Roy Love. I did that at the Horse-Shoe restaurant. I did prepare returns for Barney McGrath. That was at the Horse-Shoe restaurant and otherwise at my office. I did prepare returns for Bartley Berg 582 and Frank Villim, both at my office, and I believe on one occasion at the restaurant. I prepared returns for Johnnie Kalus at my office. I did prepare a return for James Hanley at my office. He was referred to me by one of the men that I filed for. I do not recall who referred him to me. I don't recall the name of Pete Riley. I did prepare returns for Murdock MacKenzie. I met him through one of the other men working for one of the others. I prepared returns for Frank Vase.

Most of the individuals named, with the exception of eight or ten, were prepared after 1933. Some of the others, like Hartigan, Sommers, perhaps Flanagan, perhaps Sullivan, and McGrath may have filed them for, from 1932 on, and each year I may have had a few more men in the filing of their returns. I filed returns for a fellow named Charles Smetana. He came to my office. One of the men I had filed for had sent him there.

Mr. Thompson: We object to all this conversation outside of the presence of these defendants. Obviously it is a conversation and government's counsel know it.

The Court: Overruled.

I prepared and filed returns for a man named Gordon Oglesby. I was introduced to him at the Horse-Shoe restaurant. I don't recall by whom. I prepared and filed a return for Edward Gates. He came to my office. I believe I met him through Bartley Berg, one of the men I had filed for. Gates used to come to my office for all his filings. I made and filed returns for Albert Kalus. Kalus

came to my office. I prepared and filed returns for Lawrence J. Bovin. I believe I met him at the Horse-Shoe restaurant. I prepared and filed returns for Bovin after that. I prepared and filed returns for a person known 583 as Garrett Meade. He came to my office, possibly in the year 1933. I did file returns for him for the year 1933. If I remember correctly, I believe I filed two for him, including the year 1936. I do not know where Garrett Meade worked. I did file returns for William A. Barre. I do not recall where I met him.

I prepared and filed returns for a person known as Ralph Moss. He came to my office. I don't recall when I met Moss. It may have been 1934. I can't be positive if it was '33 or '34. I don't have any work papers with which I can refresh my recollection as to the dates I have filed for these men. You have them. These are my folders and working papers. I can tell from an examination of those when I prepared the returns for these persons I have spoken of.

I filed returns for Frank Vase for the year 1934, March 12, '35; Charles R. Smetana, the year 1934, March 8, 1935; Conrad McGrath, the year 1934, March 5th, 1935; Edward J. Gates, the year 1934, March 11th, 1935; Lawrence J. Bovin, the year 1934, March 14th, 1935; Frank J. Villum, the year 1934, March 14th, 1935; Reginald E. Mackay, 1934, March 13th, 1935.

Mr. Hurley: Now, all of these persons whom you have enumerated and concerning whom I have questioned you, what was the last year in which you filed returns for any of those persons?

A. Most of them, including the year '35, some eight or ten in the year 1936.

I cannot tell offhand which cases I filed for the year 1936. I can by examining my work papers.

Mr. Thompson: We object to all of this testimony which he is now about to testify to in response to the question, on the ground that it is hearsay as to the de- 584 fendant Johnson. It has no materiality to any issue in this case. It tends in no way to prove the issue.

The Court: Overruled.

I prepared and filed returns for the calendar year 1936 for J. H. Hill, James E. Hanley, Claude E. Sullivan, Carl W. Miller, A. R. Lasson, Joseph F. Bartels, William P.

Kelly, Bernard C. McGrath, G. J. Duffy, Gordon M. Oglesby, Frank Kalus.

I had a conversation with the defendant Johnson in the year 1934 with reference to bank accounts. We had a conference at the revenue agent's office. Mr. Johnson was there.

Q. What if anything was said at that time by the defendant Johnson with reference to his bank accounts?

Mr. Callaghan: That is objected to on behalf of all the other defendants as hearsay and out of their presence.

The Court: Overruled.

The Witness: Mr. Johnson did not keep bank accounts of his entire business. He did not want to build up evidence against himself to be used for law enforcement. I don't recall anything else said by Johnson there. The last calendar year was 1935 that I prepared a return for the defendant Johnson. I believe I prepared the real estate data for the calendar year 1936. I mean the information schedule form furnished me from the rental agents covering rental property that Mr. Johnson was interested in. I had previously in filing returns for other years prepared those schedules of real estate transactions. At times I would get that data from the rental agents sent to my office and at other times I believed Johnson's brother left them at my office, or some messenger. They were submitted in detail.

I did not talk to Johnson about preparing returns after 1936. I did talk to him about preparing the 1936 returns. Johnson said he had to give the work to someone else, or he was giving the work to someone else. I asked him if my work was satisfactory and I believe he said it was, but it is one of those things. He said perhaps in a year or so I may get this work again. I have never had any of that work since that time. I never tried to obtain it back again. I have not had the income tax work since then of the other men I have enumerated and that includes all of the men I have enumerated here. I have seen books in connection with the Horse-Shoe restaurant. I believe Roy Love was the bookkeeper. That is the man I described here that I had prepared returns for. I never had anything to do with the Horse-Shoe restaurant books. I audited them annually approximately three years to determine the expenditures, receipts, profit or loss, for the given period. The audit which I made I used in the preparation of the return

of James Hartigan, I believe for the year 1935. It was not used for the purpose of preparing the return of any other of these men I have mentioned.

Mr. Hurley. At this time, if the Court please, I would like to offer in evidence Government's Exhibits R-35, 36, 37, and 38, being returns of Sommers, and also R-14 and 15 and 16, being returns of Kelly, and R-52 and 53, being the returns of Hartigan, R-44, 45, and 108, being returns of Flanagan, R-58, 59, 60, and 61, being returns of Creighton, R-81, the return of Wait, R-24 and 25, being the returns of the defendant Mackay.

Mr. Thompson: I object to the documents, all of them, as hearsay as to the defendant Johnson; immaterial to any issue in this case.

586 Mr. Callaghan: Objection on behalf of all the other defendants, your Honor, as not being probative of any of the issues in this case. We were furnished in this lawsuit with a bill of particulars in which it is charged that the various defendants filed income tax returns for '36, '37, '38, and '39. There is no mention in the bill of particulars as to income tax returns prior to 1936. The Government having filed that bill of particulars to furnish information, they are bound by it just as they would be by a special declaration.

The Court: Objection overruled.

(Said instruments, so offered and received in evidence, were thereupon marked GOVERNMENT'S EXHIBITS R-35, R-36, R-37, and R-38; R-14, R-15, and R-16; R-52 and R-53; R-44, R-45, and R-108; R-58, R-59, R-60, and R-61; R-81; R-24 and R-25.)

Cross-Examination by Mr. Thompson.

I believe I made the first income tax return for William R. Johnson in 1925. The occasion of my first service for Mr. Johnson was filing his income tax return. I met him through his interest in a real estate venture with other individuals. I had been doing some work for them, that is, Mr. Anixter and Mr. Fields and others. I had been making returns for a syndicate which was interested in the building at Division and Dearborn. Mr. Johnson was one of
587 the owners of a participating interest in that syndicate that owned that building, and in connection with that work he asked me to make out his income tax return for '25

or '26. I believe I made his income tax continuous for the years from 1927. I do not have copies of his returns here in the Government files that far back. I have not got my work papers here that far back. Possibly 1932; '31, perhaps. There is no significance in the fact that I have got them just as far back as the Government wants to go with this case. I have not destroyed the figures he gave me ahead of that since this investigation started. It was years prior. I had no use for keeping the files from 1932 back. They had been outlawed in my interpretation for any general purpose. It is purely an accident that the year happens to coincide with the period that this investigation starts with. The Government has not shown me the original return of Mr. Johnson for 1928 in their many conversations with me. They have shown me the return for 1931. I did not see '30, '29, '28, and '27. I could not be positive whether I filed any returns for Mr. Johnson in '27 or '28.

This conversation that I had with Johnson about other people filing returns occurred either the latter part of 1932 or the spring of 1933. Up to that time I had not made any other returns for these other defendants excepting the defendant Johnson. I cannot fix the date any nearer except it might coincide with the income tax filing, which is from January to March 15 of any given year. I could not be positive that this conversation took place within three months of March 15, 1933.

I had not filed any return for Jack Sommers prior to that time. I don't remember if I filed any for John Flanagan prior to that time. As I best recall, I did not file any returns for any of the rest of these defendants prior to the time that I had this conversation with Johnson. I don't have any work papers that would tell me, refresh my memory. That is nine, ten years back. I do not have any of these conversations that I have been relating written down on my work papers. I am just relating those from memory. I have not related those conversations to any one prior to the time that I related them to the Government agents this year. Those conversations were not put in my mouth by anybody. I just remembered them after they asked me what conversations I had had. I have related all of the conversations to which I have referred.

Q. Johnson just walked in to you and you just said to him, "The Government is making a drive on incomes from illegal gains and if you know any men who have gains be-

yond the regulations then report them," and Johnson said, "I will see." That is all the conversation, is it?

A. No. I could have met up with him or I could have called him, I don't recall.

I could have called him to bring him down and tip him off to that information. That possibly would have been in this conversation in '33. It might have been in 1934. It could have been '31, '32, or '33. I don't know the exact year. It might tie in with the time I started filing returns for some of the other individuals. That is as close as I can attach the time. I am trying to recall as best I can the conversation I had with Mr. Johnson. I have not changed my recollection as to this conversation during my many conferences with the Government agents and attorneys. I

have had about six conferences with them on this subject. I have not been running in and out of here every week for the last year. It did not start more than a year ago. The first time I had a conference was in July, 1940. I was before the Grand Jury prior to this proceeding. I have been called in many times by the District Attorney's Office and I have been called before the Grand Jury many times. My answer of half a dozen times is pertaining to this present proceeding. I mean this particular indictment, this particular trial. But with respect to this general subject of investigation of income tax of Mr. Johnson, I have been interviewed possibly twelve or fifteen times over a period of perhaps a year. I tried to answer their questions as best I could recall. Some calls were for me to bring my work papers in, other calls were for me to sit down to explain my work papers. I only appeared in the Grand Jury rooms once. I had many interviews prior to my appearing before the Grand Jury and many since, and half a dozen at least in the last six weeks in connection with my testimony in this trial.

The best I can recall is that I had a conversation with Mr. Johnson respecting other people filing returns either the latter part of '32 or the early part of '33. Mr. Johnson had been my client, if not continuously, at least off and on since 1925, and I filed income tax returns for him during at least a substantial part of that period and his returns I knew were from gambling gains, from gambling sources. Prior to the time I had the conversation with him, it had been the practice of the Government not to take returns from illegal gains. Men of the Department will tell you

that it was not necessary for men to file that had been making money out of illegal gains. I was familiar with the 590 regulations and the court decisions respecting the filing of returns regarding illegal gains at that time. The Government would accept returns that were filed voluntarily. I don't recall that there had been any court decisions so far as I know that returns from illegal occupations and businesses should not be accepted by the Government prior to that time. I think there was a case, called the Sullivan case, that caused this activity of the Government seeking returns from those engaged in so-called illegal pursuits, a Federal case, I believe, that enumerated some of the features pertaining to illegal gains and shortly thereafter the Government started a drive. That was after March 4, 1933, that the drive started and gains from any source were accepted, or, returns, without question. And if a man was a gambler it was accepted if he put on speculative investments or any other name he wanted to. It wasn't expected that he should furnish evidence against himself in state prosecutions for these illegal enterprises. If he was a bootlegger it was not expected that he should reveal that to the Federal Government for Federal prosecution. In other words, generally speaking the Department of Internal Revenue collected its taxes and paid no attention to the source from which it came, and it was the business of the Department of Justice to try and find out the other matters that pertained to their work.

I knew when Mr. Johnson first came to me that he was a gambler. I knew it by general reputation. He has been a known gambler in Chicago for twenty-five years, perhaps longer than that. Nobody had any doubt about what his occupation was and I had that common knowledge that

Mr. Johnson was a professional gambler. I made out 591 income tax returns prior to the time I served him.

He came to me because of my connection with the real estate syndicate in which he became interested, so that when he came to me to make out his return for 1926 I didn't put on the return that he was a gambler. I believe we termed it either "Miscellaneous Income" or "Miscellaneous Speculative Income." I believe I coined the phrase "Miscellaneous Investments and Speculations." He made his income from various sources and that was as close as it could have been identified in line with his gambling. I did not put down there on his return that he was operating

a gambling house, and I never denied in conference with the Revenue Department that the man was a gambler. He was a gambler and everybody knew it, the Revenue Department, as well as everybody else. There was no secret about his business. Generally, people know that he got his income, whatever it was, from gambling.

I don't recall that at the time he talked to me about wanting to make his return he said he wanted to so make it that he wouldn't be furnishing evidence against himself in prosecutions under the state law. That wasn't even discussed. When he came in to make out his return, I put down the dollars that he had given me. I coined the expression "Miscellaneous Investments and Speculations" and put it in his return. Mr. Johnson was a single man and took the legal deductions he was entitled to. He either gave me the money or a check to pay his tax. My office forwarded them to the Collector of Internal Revenue.

I believe Mr. Johnson was in my office in the first three months of 1933. I don't have any doubt about where he was except the fact that Mr. Johnson usually came to my office and I assumed that he was in my office because 592 he usually came there to make his return. There was no one else in my private office while he was there. No one came in with him. He came in to make out his income tax return and furnish me information for that purpose. That is the only object that he had to come in there that day. I was the one that brought up the subject about the Government drive against people engaged in gambling and other illegal enterprises, and I brought that up so that he could tip off any of his friends or associates or pals in the gambling business if they had not been filing returns. I said to him, "If you know any men who have incomes beyond the limits fixed by Government regulations, then they should file now." And he said, "I will see." There was no other conversation. It was very brief. I knew that he had friends all over town and that he knew many people who were engaged in gambling, as well as himself, and so I was doing what I thought was a friendly act in suggesting that he might suggest to his friends that if they had not filed they had better get at it. And the reason I thought it was appropriate to make the suggestion was because there was a change of policy in Washington and they were making a drive to get returns from those engaged in so-called illegal pursuits.

Mr. Johnson didn't say to me at that time that he had any knowledge of any persons who should file returns who had not filed returns. We had a general conversation. There wasn't anything that particularly impressed that conversation on my mind at that time. It might have been anyone that I might have happened across at the time in similar pursuits. If they were clients of mine, I would tell them the same thing. There was nothing Mr. Johnson said or, so far as I knew, had done to cause me to warn him particularly. I knew he was a gambler and in that business. I had no occasion to be warning him particularly.

After that I got a telephone call to come to the Horse Shoe restaurant. I don't know who called me. The message was left at my office. A call came after I had made the suggestion to Mr. Johnson. I don't know if it was Mr. Johnson that called. The message was left with my secretary, and I received my telephone calls in the usual course of business. She gave me a memorandum that I was to see such and such a man at such and such a place. I kept the appointment. I went up to this place without any further calls. I believe it was 4750 North Kedzie Avenue. That is on the West side of Kedzie Avenue, South of Lawrence. The restaurant where I entered is a regular place of business, confined to restaurant purposes: many tables, a counter, dining room. Quite a large room, perhaps 100 x 125 feet deep and the usual depth of a building lot. Just an ordinary room. I believe the entrance was at the center. The tables and chairs were at the right of the entrance. I believe a cigar counter and a cashier were on the left-hand, the same as ordinarily appears in the front of a restaurant. The rest of the room was furnished with tables in rows and chairs. Nothing unusual in the appearance of this restaurant. I cannot fix the time of my visit any more definitely. I cannot be positive whether it was '32 or '33. I don't know whether it was on the 17th day of February. I do not recall who I first met when I walked into the restaurant. I believe I spoke to the cashier, or whoever might have been there, and asked for Mr. Johnson. I said I don't know who the telephone call came from. I don't recall the first person I met when I walked into the restaurant, but I believe I asked the cashier or whoever might have been cashiering. I cannot be positive. I don't know who was the next person I met after I made this entry, but I recall meeting Mr. Johnson. I

don't know who the next person I met, in rotation, was. I did not meet Mr. Johnson there in the restaurant. I was taken to a gambling room by someone at the restaurant. I don't recall the exact date. It was in '32 or '33. I don't remember that I called at the restaurant when it was at 4701 North Kedzie, on the 17th of February, 1932. I have known the address of the restaurant was 4750 in some part of those years. It is possible that it was subsequent when it was 4750.

Q. 4701, at the corner of Lawrence and Kedzie, was where the Horse-Shoe restaurant was operated by Mr. Barnes, was it not?

A. I believe that was later.

Q. That was earlier, was it not?

A. It may have been near about that time.

I knew Mr. Barnes. It is quite possible that Mr. Barnes was the man I went out to see at the Horse-Shoe restaurant on that night.

Q. You saw Mr. Barnes there?

A. Yes, I saw—met Mr. Barnes.

I don't recall if Mr. Barnes introduced me to Mr. Sommers. It might have been possible. I had met Mr. Barnes and filed returns for him. I can't be positive as to Mr. Barnes' introducing me to Mr. Sommers.

Q. And didn't you then say to Mr. Barnes and Mr. Sommers, "The Government is making a drive for returns from those who are engaged in what would be illegal pursuits under the State law, and if you have got anybody else around here who as an income, gross, in excess of \$5,000, they should file returns"? Did that conversation occur with Mr. Sommers at that time?

A. Somewhat.

Q. And Mr. Sommers then went and brought some persons to you and you made out returns for several persons there, didn't you?

A. Mr. Sommers, I don't believe, brought individuals to me at that time. He may have pointed out other individuals from time to time for me, out of courtesy.

Q. Weren't there ten or twelve persons that gave you memorandums that very night, in Mr. Barnes' restaurant, the Horse-Shoe, from which you made up returns for them?

A. I could not be positive about the date without my work papers. That would refresh my memory as to that date. I have done that on many occasions as a similar thing.

I made up Mr. Sommers' return from the information he gave me and at the same time I made, or took a memorandum to make returns for ten or twelve people for that night or other nights. I took this memorandum and made up the returns and then mailed their copies to them. I completed the computation of the tax in their presence and obtained the money and the fee for the work for each individual. Then I took this memorandum and the money and went back to my office and wrote the return on the official blank which they had already signed. That is, I copied it in with the typewriter over their signature.

396 Q. They never saw the return after you had made the transfer of the figures by typewriter?

A. They saw a copy.

Q. Yes. You mailed them a copy with a receipt?

A. That is our regular procedure annually with all clients.

There wasn't anything unusual about that. I don't recall if it was on that very night or on different nights which

I made appointments that ten or twelve people there
397 in the Kedzie Restaurant signed the returns and gave me money to pay their taxes.

I knew that all of these men that were there were gamblers. I did not have to ask them what their business was. When Mr. Sommers told me what his income was for 1932 he did not have to tell me what to put on there about his occupation. I knew it was made from gambling ventures. At times they stated salary and bonus. The income return of Mr. Sommers for the calendar year 1932, being R-35, shows the source of income, miscellaneous commissions. There is nothing in there about salary or bonus or anything else except in the printed part of the blank. The printed question at the top is "Salaries, Wages, Commissions, Fees, and so forth." "State name and address of employer." That is what is printed on the blank. In the space beyond that I wrote the figures. The words I wrote were "Miscellaneous commissions." I wrote that at my office. After Mr. Sommers had signed the blank at his restaurant and I had made the computations there on a piece of paper and he had given me the money, I sent him a copy of his return and went over to the Revenue Department and paid the income tax and sent him the receipt. That was the routine.

I made out the returns for 1934 for 1933 and put miscellaneous betting commissions as the source of the income

for that year. That was put in at my office after Mr. Sommers had signed the return in blank and I had gone back to my office. And I mailed Mr. Sommers a copy of his return as I filed it and the receipt for the payment of the tax. And then in 1934 Mr. Sommers signed this document in blank and when I got back at my office I typed in the return as a source of his income "Miscellaneous Speculative Earnings". One of my associates wrote the word "Salary" in pen and ink in parentheses on this return. That is his handwriting. I did not write it there. Mr. Sommers did not write it there. Mr. Sommers did not tell me to write it in there. Just one of my associates put it in there. I don't know why.

Mr. Sommers' return for 1935 was for less than \$5,000, so I put it on a 1040 A return. I put the figures he gave me opposite the printed words "Salary, Wages, Commissions, Fees, etc." I did not write on there any source of income. I presume that he was still the same kind of gambler in 1935 that he had been in '34, '33, and '32. No instructions were given to me at that time to return it any differently, except one. I wrote that on there, his title as manager at the heading below the address. I don't recall who suggested that. Perhaps in the course of the conversation his various duties, activities during the year taking a gamble, being interested in a gamble, something of that nature, would have given him that title. The last thing a man would put on his return in Illinois would be "Operator of a gambling house", because if he is convicted a third time it is a penitentiary offense. Tax returns are public property. He certainly would not put "Owner" or "Operator of a gambling house" on there. It is possible that I used the word "Manager" as about the least offensive thing I could think of to explain his business. I don't know if Mr. Sommers was choosy of the word that I should use, or was giving me any special directions.

596 I said at some time when Mr. Sommers was being called upon by me that Mr. Johnson was present. I can't fix the date definitely. And I said that Mr. Johnson said to me, "Now, you tell Sommers what you told me" and then I told Sommers that the Government was making a drive and if he knew any other men whose returns had not been filed they ought to be filed. Then Mr. Sommers made

appointments for me. These other customers were brought to me. Some of them could have been brought in that night. Since I do not have specific dates, I would not want to be positive.

While I was taking this memoranda and these signed blanks, Mr. Johnson did not say, "I am the employer but don't expose me". He just said to me, in effect, "I am not the employer of these men". "Don't put my name on there as the employer". I think that was the purpose of the statement from Mr. Johnson. I don't believe any of these men had said there in the presence of Mr. Johnson, "I am working for Mr. Johnson".

When Mr. Johnson came to me to make out his income tax returns, he referred me to the real estate agent handling his real estate for the information with respect to that part of his income, and I often went over to the office of the General Mortgage Company to get information there about the Lincoln Park building at Division and Dearborn. This information that appears in these returns all came from the books of the real estate agency. I don't recall if I got the taxes on Mr. Johnson's return from the books or directly from tax bills or receipts. Mr. Johnson didn't give me any special instructions about making a return of that item. That was in the general course of business. I got this information from either the books of the real estate agency or from tax receipts which they had sent and made up this return. I was referring to Government's Exhibit B-4 when I was testifying about that item for real estate taxes. All of the information in that column of figures in the top which is marked D-5 was obtained from the records over at the real estate agency office. Mr. Johnson gave me no instructions about these items at all, except just go over and get the facts.

There was a check up of Mr. Johnson's income tax return in the December of 1934. I was present at the conversations respecting Mr. Johnson's returns and the method of securing the information for income and so on. I recall the additional assessment there, but not as to the specific figures. It was some substantial sum. Mr. Johnson and I were talking over Mr. Wilson and Mr. Blocker and Mr. Tesser about the investigation of his 1934 return and during the course of that conversation they were asking him a lot of questions about his return. I believe they asked him why he didn't have a better account of his income

and why he didn't keep books and records, etc., of his gambling returns, and it was during that conversation that something to the effect was said by Mr. Johnson that he didn't want to furnish evidence against himself for prosecution. He said, "The reason I didn't keep bank accounts was I didn't want to build up evidence against myself for prosecution purposes".

601 There was no specific mention as to prosecution for gambling. That being his general business, it would be that one thought he was trying to protect himself on. I don't believe the intimation was that he refused to keep bank accounts, and so on, to keep from being prosecuted on his income tax. This statement of his was a statement made through the course of a long interview. It was a statement made in the general course of the conference. It was during a request for a hearing in connection with this \$33,000 claim on which Mr. Johnson and I were appearing before Mr. Wilson, Mr. Tessen and Mr. Blocker, and they refused to allow this claim that we were making. Then he authorized me to take the case to Washington. I went to Washington on the matter. Down there I got the matter adjusted to the point that they agreed to accept somewhere around \$9,000, plus interest and such charges as were accrued thereto. And I telephoned Mr. Johnson from Washington that I could settle the matter for that amount. He authorized me to go ahead and close the thing up. I believe it was in the year 1934 when this conference was had. It was during the course of that conversation that this matter came up that he ought to keep some sort of record or books of permanent account of his income.

I made out his return for the year 1935 and I believe that return was filed in due course with the same specification of source of income. The 1934 return, which is Government's Exhibit R-8, shows the words "Miscellaneous Speculative Income". The rest of the return has no type-written specification of his business at all. On the 1934 return, I put that "Miscellaneous Speculative Income" in the blank space between Items 1 and 2. On the 1935 return I just put the extended figures on the line "Item 2.

income from business or profession", because it was 602 shown in Schedule A as from business. Schedule A shows the general character of income with the deduction for some automobile and small business expenses. There were no different books or records furnished in 1935 than there had been in 1934.

The first year I made a return for Mr. John M. Flanagan was either 1932 or 1933. That was when Mr. Flanagan was operating on the West Side of Chicago, and I believe he met me at my office. He came down to my office to make his return in '32. He came in on one occasion or two. The best that I can recollect is that he came into my office by himself. I know he has been to my office. According to Government's Exhibit R-44, Mr. Flanagan had made a return prior thereto, and this return is for the year '32 and it recites "Miscellaneous Income", and that is all it shows as to his business or profession. I knew Mr. Flanagan was a gambler. He told me he was. I used this phrase "Miscellaneous Income" to describe his income. He probably did not specify this particular phrase or combination of words. He just told me he was a gambler and had a net income of \$5,280 and I put it down and made out his return. I believe I did make a return in the year '33 for Mr. Flanagan. I believe my work for most of these men herein mentioned has been continuous up to the year '35. I don't recall seeing the defendant Flanagan's return for the year '35 when the Government was questioning me about these documents. It has not been produced to me as a witness.

Mr. Flanagan reported the income in the year '34 on the return here, R-45. His statement as to the source was from a similar source: gambling. It says "Miscellaneous Speculative Income". I specified it on the return as such.

It might have been commonly understood it was speculative sources, running a speculative business. I did

have information from him that his income was from gambling. As a foundation for the deduction for business expense, there was written on the return "Business expense with customers and various groups we do business with". He described it in a general way, that he has had expenses of going back and forth conducting his business. I felt he was entitled to some deduction and I put this down as best we could arrive at a figure. This return itself was made in my office.

R-108, which seems to be the '35 return of Mr. Flanagan, does not indicate his business. There is no schedule of his business expenses deducted on this return. The expense was small. Each time I certified that I had made these returns and that they were made correctly from the information respecting the income tax liability of which I have

any knowledge as furnished to me by the taxpayer. I signed the usual certificate at the bottom of those returns as was required in the regulations. I was then making returns for a lot of people. We filed in the neighborhood of 300 or 350 returns every year. I do not remember distinctly whether I met each one of my 300 or 400 clients. They are clients in other pursuits, as termed "regular business" and not games; usually at their office or place of business, and these who were in business that I characterized a business from which illegal gains were made, some of them came to my office and some of them I met elsewhere. I made an appointment convenient to the distance of traveling.

As to Mr. Flanagan, I may have met him at the Horse-Shoe restaurant. I couldn't positively say so. I have met him. He has been to my office. I have never been to his place of business. That would be just a general thought that I saw Mr. Flanagan at the Horse-Shoe restaurant or at the gambling casino in connection with it. I cannot recall from memory whether I made a return for Mr. Flanagan for the year '31.

Q. Solely for the purpose of refreshing your recollection I hand you a document here that is marked R-43, and ask you to look at it and just state whether or not you did make a return for him for 1931?

A. I did.

(Said document was marked Defendants' Exhibit F-1 for identification.)

Referring to the document which is marked, it further refreshes my recollection. I sent Mr. Flanagan a copy of that return through the mail. I do not recall where I met Mr. Flanagan when I made out this return.

I made the first return for Mr. Hartigan possibly in '32. I don't know where these men were in business, directly. I believe I met Mr. Hartigan prior to '35 when I was making his '34 income tax return at the Horse-Shoe restaurant. Mr. Hartigan told me that he had then become the proprietor of the Horse-Shoe restaurant. That was after the death of Mr. Barnes. Prior to that Mr. Barnes had been operating that restaurant, then when he died Mr. Hartigan became the proprietor, I believe. Mr. Hartigan's return for the year '34 was made out by me at his restaurant there on North Kedzie. The books were sent to my office prior, or either I picked them up at the Horse-

Shoe restaurant and took them back for the convenience of working at my office. I made out his income tax return for the year '34 and then mailed him a copy of it; I don't remember whether he signed the return in blank before I filled it out or whether he came to my office after that and signed it. That was quite a common practice for 605 clients to do that. In the '34 return, which is R-52,

the source of Mr. Hartigan's work is specified in type-writing as "Miscellaneous Speculative Income" and then there is underneath those words in parentheses in pen and ink the word "Salary". That word "Salary" also was written on there by one of the employees in my office. Mr. Hartigan did not write it there. He did not know it was written on there until the return was filed. I don't believe I had before me such books as Mr. Hartigan furnished me from his restaurant when I made out his 1934 return. I believe for the year 1935, I believe Mr. Barnes died late in '34 and there was a return for that in the name of Mr. Barnes up to the date of demise. It is possible that I had the books for whatever portion of the year Mr. Hartigan operated the restaurant for '34, if there was any such period.

The one for '35, R-53, shows on the top item the source of his income is miscellaneous income. That is under Number 1 on the income sheet in the blank space below the number. There is attached to this return a schedule which shows an operating loss from the restaurant. The expenses exceeded the net income, so that the net income was reported none taxable. These are returns for '34 and '35. I don't believe I have the returns for '32.

(Document marked Defendants' Exhibit H 1 for identification.)

I prepared the carbon copy of the return for 1931 for Mr. Hartigan that you handed me, which is attached to the letter which has been marked Defendants' Exhibit H 1. I did prepare a return for Mr. Hartigan at my office. There is no jurat on this copy. That letter is dated March 8,

1932, so therefore the return had been mailed and 606 made. I would say that the return was prepared and filed some time shortly prior to March 8, 1932. The original should be in the files of the Treasury Department. I filed it.

(Document marked Defendants' Exhibit H 2 for identification.)

You hand me a letter dated April 4, 1933, marked Government's Exhibit H-2 for identification, together with what purports to be the carbon copy of the income tax return of James A. Hartigan for the calendar year 1932, which refreshes my recollection as to preparing a return for Mr. Hartigan for 1932. This return was prepared prior to the last filing date of March 15, 1933. That was prepared in my office, and Mr. Hartigan had undoubtedly signed the blank and left the information with me to fill out the return and file it. He undoubtedly left with me money in excess of what the taxes were computed. That letter shows I am returning to him \$7.00 which he had left with me more than I needed to pay the taxes. During the years '31 and '32 Mr. Hartigan was a gambler.

Q. Now, I notice on the return for the calendar year 1934, in addition to the word "Salary" being written on there in pen and ink, there is specified up here in that top bracket, after the words "All other", which I assume means occupations, the word "Manager"?

A. Yes, sir.

Q. And you wrote that in there, I suppose?

A. That was typed in.

Q. Mr. Hartigan hadn't changed his occupation in '34, from what it had been previously, so far as you know, had he?

A. He had broadened his scope of income.

607 Q. Well, you still said his income was miscellaneous speculative income, didn't you?

A. Truly.

Q. You were using the word manager just as a word to describe a general activity, which wouldn't disclose on the face of the return what business he was in, is that right?

A. That is right.

I did not write anything as to what his business or occupation was in 1935. There was later a check-up on Mr. Hartigan's '35 returns on this restaurant loss that was claimed, and Mr. Hartigan turned over to me the books of his restaurant to adjust that with the Internal Revenue Department. I believe the books were returned to the Horse-Shoe restaurant. Mr. Hartigan came to my office some year or so later to ask what had become of his books. My best recollection is that I told him I had sent them up to the Horse-Shoe restaurant. He might have said, "Well,

that has been closed. I have never received the books." I know he did not have the books when he was looking for them at a later date. The books were lost some time ago and he was trying to find them in talking to me about it. I believe that Mr. Hartigan always gave me the full sum to pay his taxes for the year when he filed his return.

Q. And in one year he got a notice from the collector that his quarterly income tax payment was due, didn't he?

A. I don't remember specifically.

Q. Well, I am not asking you to remember specifically, but Mr. Hartigan called you and said "I got a notice on a quarterly income payment that is due"?

A. I talked to Mr. Hartigan at different times. I don't recall definitely whether that was a topic of conversation. It could have been.

608 Q. Wasn't there some explanation by you to Mr. Hartigan, there must be some mistake, I will check it up and take care of it, because I know you did pay your full year of tax?

A. That is quite possible.

A great deal of that money was left with my associate. After all, I was in and out of town quite a bit. In fact, I think in certain months of the year I was out of town most of the time on business. I see possibly how it all could have occurred. If I had a conversation of that kind, I would find it out. I would check up and, if so, we would correct it. I don't recall specifically its having taken place.

I remember that I made returns for Mr. Andrew Creighton. I went out to his place at the Southland Club. Mr. Creighton came to my office. The first time was possibly in '33. I would not know if I made a return for him prior to the calendar year 1933 unless I could see my records or some work papers. I do not recall the exact year. I do not have records and work papers on these returns. Some of the records are in the possession of the District Attorney's Office. Mr. Creighton came to my office about the return for the year '33, R-58. He talked with me about his business. This might be the first time I was introduced to Mr. Creighton. I believe Mr. Johnson introduced me to Mr. Creighton in my office. I don't know whether it was at this time or prior that I was introduced to Mr. Creighton by Mr. Johnson. Mr. Creighton gave me the facts himself about his income tax return. He did not tell me to go down to Stein-Alstern's office and get the facts concerning

certain brokerage transactions in this particular year. I don't remember that he gave me facts with respect to going to his bank and getting the information from his bank account. This return shows that his income is for miscellaneous commissions. That is all it shows about his business or anything else. The same is true for the return for 1934, which is R-59. R-60 does not show what his business or occupation is, and for the year '36, R-61, that shows miscellaneous earnings as the source of his income. That appears under Item 1, under Income, typed in there. There might have been a prior year when Mr. Creighton told me to check the records of the brokerage house of Stein-Alstern for facts respecting some brokerage transactions he had there, because I notice on your exhibit for the year 1933 that his former years were filed on the delinquency basis.

I believe I had sent one of my men to Stein-Alstern to get a transcript of Mr. Creighton's record. I don't remember having done it offhand. I believe I did go to the Mid-City Bank and check his bank account there for the years prior to '33. I believe we checked up the banks he specified that he could have had accounts in and at the brokerage offices he might have had brokerage accounts in. We would get a letter of identification to go there. I recall that there was some compilation of figures or information. I don't recall from memory without my records to what extent.

I continued to file income tax returns for Mr. Creighton until 1937. I believe there was a discussion with Mr. Creighton, or something of that nature, about his receiving a notice of quarterly payments due after he had paid his full tax at the beginning of the year. He called my attention to having received quarterly notices in June, September, and December after he had given me the money to pay all his tax at the beginning of the year. The 610 funds were left with my associates to take care of.

Something of that nature happened. I knew Mr. Creighton was a gambler and when I used the term on his returns of miscellaneous earnings that meant gambling earnings, Mr. Creighton did not tell me how to describe them. He asked me.

Q. And you told him that was all right to put it in that way?

A. It sounded like a general term.

I believe I first started to file returns for Mr. Kelly in 1933. I believe I filed a return for 1933. I have not seen it in these investigations. Mr. Kelly signed the return for the year 1934, marked R-14, and gave me the information and the money to pay the tax, and then I made it out and mailed him a copy. That pencil writing on the front of the return is evidently put on by the conferee in conference. I never denied these men were gamblers in conferences. I didn't put it on. Kelly didn't put it on. It is evidently Government's notations.

Q. So that where this word "gambling" written in red pencil after the word "occupation" appears on R-14, that is somebody's else writing other than you or Mr. Kelly or anybody in your office?

A. That is the outcome of my statement to the examining officer in conference. I am positive. They have always asked that and I never denied it in conference. They asked me what Kelly's business was and I said he was a gambler and then they wrote this on here, evidently the man in front of whom the conference was held. Unless there is a name there, I couldn't tell from here. This income tax return shows in typewriting the source of Mr. Kelly's income as miscellaneous commission earnings and then there is written in pen and ink in parentheses 611 after that the word "Salary", and that was written there outside of Mr. Kelly's presence, so far as I know, without his knowledge. It is not my handwriting. Neither is it Mr. Kelly's handwriting. It is Mr. Solomon's, my associate. All these notations on here in red pencil seem to be made by the same person and they were probably all made at the investigation of the return later on.

Mr. Thompson: We specifically move, your Honor, to strike out this exhibit for all the hearsay statements that is written on there. R-14, I think you have. The statements are certainly binding on no defendant. Certainly not all of them. All of them except Mr. Kelly, and not on him even.

The Court: What do you say about this?

Mr. Hurley: May I see it, your Honor? We can with hold this temporarily, your Honor, until we see what happens.

The Witness: I used general terms to describe general activities. I commenced filing income tax returns for Mr. Wait possibly in 1930 or 1931. I filed for him earlier than

for some of these other individuals. He was part owner of the Lawndale Greyhound Association or Park. That was a racing track on 26th Street. I did not file an information return for the partnership or association. I had nothing to do with filing any return for the partnership. That was Mr. Wait's distributive interest from that partnership venture. I know a partnership return had been filed. I have not seen those original returns since this investigation and preparation for trial started. I don't know where they are. I believe I have seen a return for Mr. Wait for a year earlier than 1935. The return R-81 for the year 1935 shows his net receipts from business. It does not designate his occupation in any way. That was made in the same general way that I made all these others

I have been testifying about. We did not make the 612 return marked R-77 for identification. I believe we made one after that. I did make the return marked R-80 for identification for the year 1932. I possibly made return prior to 1932. I did not make any returns after 1932 and prior to 1935. I think there was a lapse between the two years we didn't do any work. Mr. Wait had me check some figures at the brokerage house for him one time. I believe it was in the year '32 that you have an exhibit there of. We did check the brokerage statements and it is quite possible it was Stein and Alstern.

The first time I made a return for Reginald E. Mackay I believe was in 1934. I made a return for Mr. Meade prior to that. Mr. Meade introduced me to Mackay. I have never been to Mr. Meade's place of business. He always came to my office. Mr. Meade and Mr. Mackay always came there to my office. The first return I filed for Mr. Mackay was for the calendar year 1934, and that is R-24. It shows two sources of income; one is salary, wages, and commissions, and another is from rental income. The next year, 1935, R-25, shows as the source of his income one item under Number 1, miscellaneous earnings, and income from rental sources. I do not remember Mr. Mackay telling me when he came up to make his 1935 return, that he had bought Mr. Meade out and was running the place of business himself. I don't know the name of the place Mr. Meade operated. I know Mr. Meade left town because of ill health. I have no knowledge of who succeeded Mr. Meade. I testified that I told these men they must keep books of their income in 1934. After that I continued to

make out their returns for 1935 on the same sort of memorandum that I had made them out for 1934 and prior thereto.

613 Q. Now, in all these conversations that you say you had leading up to your coming on the stand as a witness was there any suggestion made to you that your license to practice before the Department of Internal Revenue was in jeopardy if you didn't testify to suit the Government here?

A. No, sir, not in terms of that nature.

Q. What was said, Mr. Brantman?

A. Just general conversation that as a man admitted to practice before the Treasury Department I was looked upon as being the equivalent of a government representative and should conduct myself accordingly.

I am licensed to practice before the Department of Internal Revenue. I am also licensed to practice as a public accountant in Illinois since the inception of the Act. I have never filed to practice before the Board of Tax Appeals. I am licensed to practice before any of the government departments except the Supreme Court. I have never filed for practice before the United States Court of Tax Appeals. I am licensed to practice in any of the reciprocal states who have reciprocal acts for accountants licensed to practice in a given state.

I know Mr. Elmer Johnson. He was up to my office some time back to inquire whether I had copies of Mr. William Johnson's income tax returns prior to 1929, and he also was up to check some facts with regard to some prior payments. The papers were not there then and I couldn't give him the information.

I don't know where Mr. Love was working at the time I met him. I met him through Mr. Barnes. I believe Mr. Barnes called Mr. Love in to sit down and give me the details of the restaurant because Mr. Barnes wasn't
614 very good at sitting down at details. I believe he was ill at the time. I don't recall that he called his club Senrab. Barnes was at 4750 and 4701 Kedzie Avenue at different times and Love was working for him. I would call Love if I wanted any information on the restaurant. Barnes called Love in to give me different information. I made a return for Love at that time.

Redirect Examination by Mr. Hurley.

I stated that when I prepared these income tax returns I had a blank that was signed by the taxpayer, then I sent a carbon or a copy to him by mail. I believe I did that in the case of Kelly. Kelly never complained to me about being designated as a clerk as shown on Government Exhibit R-15. He did not complain about being designated as a manager on Government's Exhibit R-16 and ask to have the records changed in the Collector's office. We sent copies of tax returns to all of those I have testified about and the copy sent was an exact duplicate of the one filed with the Collector, made at the same time. Hartigan never did complain that he didn't get a salary and did not ask to have Government's Exhibit R-32 changed. It is quite possible that the word or term "Salary" may have appeared on his duplicate. Then, again, it may have been placed on there by someone in my employ. I have sent him an exact duplicate of the one filed with the Collector. Mr. Sommers did not ask me to have the occupation "Manager" appearing on Government's Exhibit R-38 changed in the records of the Collector. There were no complaints by any of these individuals for whom I say I filed returns after I sent them a duplicate. They did not ask me to make any changes in the records. I do not know whether or not 615 these men for whom I filed returns were employees of Johnson. I believe I did meet some of them elsewhere than at my office or the Horse-Shoe restaurant. I saw a few of the men that I filed returns for at the gambling room in close proximity to the Horse-Shoe restaurant. That is the same gambling room in which Johnson introduced me to Sommers.

I have talked about the Sullivan case and I answered questions by defense counsel that it was after the decision in the Sullivan case that I talked with Johnson. That was in the year '32. I do not know that the Sullivan case was decided in 1927, but the intimation of a case of that kind would be talked about from time to time. It may have been that the decision was not final until a later date. I am not positive as to that. I would have to refresh my memory.

This campaign that I speak of by the Government came about 1932. I would hear it on various visits to the Revenue Department on other examinations. It could be that it was general conversation between revenue agents and men from the Collector's office.

I was questioned by counsel about the conversation I had with Johnson as to this Sullivan matter. I had a conversation with Johnson in my office. I was not at that time acting as a tax consultant. I was handling his tax matters. As a tax consultant I figured that it was my duty to advise him in regard to tax matters, and I was told at that time that the Government did have such a campaign on as to persons having illegal gains, as I term it, and I would not make it a practice to tell anyone other than a client or advise others along those lines. I wouldn't stop a man on the street and tell him about it. I generally term men 616 "gamblers" if they work in a gambling house or if they take part in a gambling play, and would term them in that same line. I knew many of them were just working in gambling houses.

Mr. Thompson: That is objected to. How could he know?

Mr. Hurley: He says he knows.

The Court: Let it stand.

I was questioned by counsel about the form of these returns and the fact that they were accepted by the Collector. As a matter of fact, the Collector will accept any return that is filed.

Mr. Thompson: We object to that.

The Court: Overruled.

Mr. Thompson: Calling for a conclusion. We made no such questions nor did he make any such answers on the cross-examination.

The Court: Overruled.

You could prepare a return and put it in an envelope and send it to the Collector and it would be accepted by the Collector. I am speaking for the duties of someone else. I don't want to be positive as to the point that the Collector might not return them if they are incorrect returns. I mean there might be an investigation later, but the Collector is forced to accept any return that is sent to him if addressed to him. In later years income tax returns become public property.

I was questioned by counsel as to the returns of the defendant Flanagan. I don't know exactly where he was working, but I knew he was not working at the place I met him. I don't know where he was working on the west side. I later learned he was working at 4026 Ogden Avenue. I

have heard it called a gambling house. I stated with 617 reference to some of these returns where the occupation was designed as "Manager" that it was just a general term. By that I mean in that type of business a man might have certain activities; he would handle a bank roll. Naturally, he was managing the funds, responsible for them. In that parlance or term, he would be termed the "Manager", manager of a fund. After all, gambling is just funds. I don't recall that they told me he managed anything else. They probably managed the room in which they were identified or located at, gambling houses where they were working.

I know the handwriting on the face of Government's Exhibit R-14. It is the deputy who made the examination. I see the initials "P. U." I believe it is Mr. Updike of the Collector's office in this building. I believe I was present when the writing was placed on that document.

Mr. Kelly received a letter from the Treasury Department. I believe he forwarded a letter to me to appear for him and conduct this examination. Shortly thereafter I went to the Collector's office. I believe the conference with the Collector's office was in Room 500 of this building. When I went into the Collector's office with reference to Kelly's return for the year 1934, I was referred to Updike for the examination. I was present when Updike made those notations on the face of Government's Exhibit R-14 while I was there at the request of Kelly. I was asked by counsel on cross-examination in relation to a certain protest by the defendant Johnson involving some \$33,000. I have seen Government's Exhibit R-109 for identification. It is a power of attorney, issued to me by William R. Johnson. He signed that. That was a power to appear for him in his behalf before the Treasury Department, at the agent's 618 office, Collector's office, and such other departments necessary in the handling of the examination. I believe that was with regard to the year '31. The power of attorney specified all years.

The Government's Exhibit R-110 was prepared by my office at my dictation. William R. Johnson signed it. I believe he read it before he signed it. I got that information set forth in that document by collaboration with Mr. Johnson here. I was asked here about my conferences with the U. S. Attorney. I did not do anything other than answer questions put to me in this conference. I sat in a chair like you are sitting there now. You were sitting on the other side of the table asking me questions and I an-

swered them, and I submitted my work sheets in that regard. These envelopes appear here on the table and the yellow sheets.

I had somewhat similar conferences such as this in the U. S. Attorney's office in other cases. There was nothing unusual about those conferences.

BERNICE DREWEK, being duly sworn, testified as follows:

Direct Examination by Mr. Hurley.

I live at 1050 West Erie Street. I have been employed by the Collector of Internal Revenue here in Chicago for about three and one-half years as a stenographer. I have been a stenographer for the last seventeen years. I graduated from High School. I have a commercial course. I took my commercial course at St. Stanislaus College. I write the Pitman system of shorthand. In the course of my duties as a stenographer in the Office of the Collector 619 of Internal Revenue, I have had occasion to take statements where questions were asked and answers were given in the Intelligence Unit. That is on the second floor of this building. I did have occasion on or about January 3, 1940, to take a statement from a person known as William P. Kelly. I see Mr. Kelly here in the courtroom. Special Agent Converse, Mr. Kelly and myself were present. Mr. Sommers, a special agent, came in about the middle of the testimony. He came in toward the end of the proceedings. I recorded the questions and the answers as they were given in shorthand. The answers were made by William P. Kelly. After I had taken the questions and answers down in shorthand, I left the room and transcribed them immediately thereafter.

Government's Exhibit 208 is a correct transcription of the shorthand notes I took of the questions asked and the answers that were made by William P. Kelly.

Mr. Hurley: I offer Exhibit 208.

Cross-Examination by Mr. Hess.

I put in this statement everything that was said in the questioning of Mr. Kelly. After I got through typing the statement, I submitted it to the special agent. I have seen it about two weeks ago to compare it with my notes. Ex-

hibit 208 is not a re-copy. It is a transcription of the notes that I have taken at the examination. There was no one present there, other than the persons I have stated. I have been in the corridor and the hall of the courtroom prior to taking the witness stand. I have not been talking to anyone about the person whose statement I took. No one pointed him out to me. I knew him. I had only taken one statement on that day. It is the custom in my employment to take 620 statements as a stenographer. I only took one that day.

I don't believe I had taken any that month, but I had taken some prior to that. During the winter I took a lot of statements for the agents. I had taken some in October. I am able to identify those persons after six or eight months without anyone pointing them out to me.

Mr. Hess: I think it is admissible as to Mr. Kelly. As to the others it is hearsay and not binding on them.

Mr. Callaghan: If the Court please, there are some statements in the document that ought to be taken out. I refer to page 5, the ninth question reading from the bottom, and all questions following. As to the admission of these, we object.

The Court: I do not see anything wrong with it. It may be received as to William P. Kelly only.

(Thereupon GOVERNMENT'S EXHIBIT 208 was received in evidence as to William P. Kelly only and read to the jury, which Exhibit is in narrative, as follows:

621 My name is WILLIAM P. KELLY; reside in Oak Park, Illinois. I am a gambler by occupation. My place of business is near the corner of Dearborn and Division known as the D & D Club. I am the owner of that business and have been for a little over three years. I do not know who owned the place before that, but there was a gambling house there some time before me. I did not buy off this other business.

I have an account at Prairie State Bank, Oak Park, Illinois, jointly with my wife, and a safety deposit box in the same bank. I have another at City National Bank, LaSalle and Adams. Nobody is associated with me in my business.

I know William R. Johnson; he hasn't any interest in my business; he gambles there; he takes over the game. The circumstances that would bring him in are that I would call him up when it got too heavy for me handle. I made no charge for this and was glad to get it off my hands when it got too big. I employed a various number of men at the D & D Club—sometimes eight or ten, and

sometimes I might employ a hundred to a hundred twenty-five.

I have operated craps, wheels, blackjack and horses; by wheel I mean Roulette; by horses, I mean handbook. I have Chuck-a-Luck which is known as Bird-Cage. I don't keep any records and don't deposit money from the business.

I have no interest in any other gambling house; no loans due me from other persons, and I made no loans within the last year to any person. I own no stocks or bonds; I have a \$1,000.00 life insurance with Knights of Columbus. I have no annuities. I file income tax returns and have as long as I can remember.

I cash the checks that come into the business at Lawrence Avenue Currency Exchange, which is about a 20-minute drive. Jimmy Hartigan solicited me to give my business to Lawrence Avenue Currency Exchange. Jimmy told me he was interested in that exchange and asked me to give it a little business, which I did. At the exchange I transacted business with Mr. Brown. I knew the girl that was working there; knew that she was related to Jimmy by marriage, but I did not know what relation.

I have no children; I rent the premises where I reside for \$57.50 per month.

Prior to using Lawrence Avenue Currency Exchange, for a short time I used a currency exchange on Kimball Avenue just north of Lawrence. I might have used that currency exchange four or five months, and it might have been ten months. I used the Lawrence Avenue Currency Exchange from shortly after they opened up; I don't know the exact date. The rate there was the same as any other exchange—25¢ a hundred. I carried my checks there and sometimes sent them; I usually took them myself to the Lawrence Avenue Currency Exchange. When I was dealing with Albany Park Currency Exchange, I sent them. I got currency the following day or sometimes two days later. I kept no record of the checks that I exchanged. I can't say what percentage of the business I did was done by checks, but the checks exceeded the cash transactions.

I paid no protection for my gambling house. I have been raided occasionally; some arrests, and was represented in Court by a lawyer named Beiber. William Goldstein never represented me.

I do not subscribe for the Waukegan newspaper and have not been solicited to subscribe.

623 My home telephone is Village 9133 and it is listed in my name, where I can be reached at any time. If I am not there, my wife will get the message for me.

624 HELEN GREER, called as a witness on behalf of the Government, having been first duly sworn, was examined and testified as follows:

Direct Examination by Mr. Hurley.

My name is Helen Greer. I live at 6156 Minerva Avenue. I was at one time employed by the Government as a stenographer in the Intelligence Unit for six months. I had worked as a stenographer prior to that time in the Public Health Service, for seven years. Before that I worked at the Internal Revenue Office for four years. My experience as a stenographer dates back to 1922. I had four years of high school. I took a stenographic course in high school, but none other than that. In my work as a stenographer I had experience in taking statements and in that regard I took down in shorthand questions that were asked and answers made. I took a statement of a person known as Jack Sommers in the month of December, 1939, at the Intelligence Unit. Special Agent W. H. Summers, Mr. Converse, Jack Sommers and Mr. Clifford, Internal Revenue Agent, and myself were present. At that time there were certain questions asked of Sommers and answers made by him to those questions. I took the questions and answers in shorthand. I transcribed them on a typewriter. I don't suppose it was more than two or three days after I took the notes that I transcribed them.

I have seen a document marked Government's Exhibit O-210 for identification. That is a true and correct transcription of the notes that I took of the questions that were asked Jack Sommers and the answers that he made to those questions. I see the Jack Sommers I took the statement from, in the courtroom (indicating the defendant Jack Sommers).

I did, in my work with the Intelligence Department, take a statement from the person known as James A. Hartigan. It was the latter part of December, 1939. Special Agents W. A. Summers, Mr. Converse and Internal Revenue Agent Levine, and myself were present.

At that time there were questions asked of Mr. Hartigan and answers made by him to those questions. I took down the questions and answers given in shorthand, and transcribed them on a typewriter. Government's Exhibit O-209, for identification, is a true and correct transcription of the questions that were asked and the answers made by Hartigan. I see the man, James A. Hartigan, that I took the statement from here in the courtroom (indicating the defendant Hartigan).

Mr. Hurley: I will now offer in evidence Government's Exhibit 209 and 210 for identification.

Mr. Thompson: As to Government's Exhibit for identification O-209, which purports to be a statement of one James A. Hartigan, Defendant Johnson objects on the ground that it is immaterial, tends in no way to prove any of the issues in this case, contributing nothing as to what income he had or what was taxable for the years '36, '37, '38, and '39; it is hearsay as to the Defendant Johnson; and particularly any reference made to the Defendant Johnson is objected to.

And while we are at it, we make the same objection on behalf of the Defendant Johnson as to Government's Exhibit O-210 for identification, which purports to be a statement of one Jack Sommers.

Mr. Hess: We object, if the Court please, as to 209 as to all defendants except Hartigan on the ground that it is not binding on them; it is not shown they knew anything about it, had no connection with it, and doesn't in any way implicate them in any alleged aiding and abetting as charged in the indictment; and as to Hartigan we object on the ground it is immaterial to the issues in this case, and it is past narrative, something that has been going on.

626 As to Exhibit 210 we make the same objection as to all defendants, except Jack Sommers, and as to him it is on the ground of immateriality, and narrative of past actions, the other defendants are not bound by it, not shown to have any connection with it or any knowledge of its contents.

The Court: As to Exhibit O-209, purporting to be the statement of the Defendant Hartigan, the objections of the Defendant Hartigan to that exhibit will be overruled. Objections of all the other defendants will be sustained.

Mr. Hurley: On that point, your Honor, I would like to

make this contention, that it is a part of the conspiracy, this man coming in here and making a statement as he did.

The Court: As to Exhibit O-210, purporting to be the statement of the Defendant Sommers, the objections of the Defendant Sommers will be overruled. Those of the other defendants will be sustained. 209 will be received against the Defendant Hartigan; 210 against the Defendant Sommers.

(Said instruments, so offered and received in evidence, were thereupon marked GOVERNMENT'S EX-627 HIBITS O-209 and O-210, and read to the jury.)

Exhibit O-209: (Narrative Form.)

My name is James A. Hartigan; reside at 2825 Maple Avenue, Berwyn, Illinois; am a gambler by occupation; have been in that line 25 or 30 years. I understand that anything I say during this interview may or can be used against me by the Government as it sees fit, and am willing to answer any questions put.

I last operated a gambling place at 4000 North Avenue—Harlem Stables, which I operated off and on for three years. I have been the owner of that business since 1936; don't own the building. I have there operated Keno, crap games, roulette, black-jack, horses, red and black. No one is connected with me in the operation, and I am the sole owner of the business. There have been times when the crap games got too strong for me that I would send for William R. Johnson for help. I would call him up and he knew they were playing beyond my bank roll, and I would point the table out and turn them over to him. He assumed the losses and he took the winnings.

Q. Mr. Johnson is known as a professional crap shooter, is he not?

A. That is his long suit, although he does other gambling too.

I file Social Security returns for my employees when operating. They number from 60 to 150, according to business conditions, and vary from \$4.00 to \$15.00 in salaries per day. I pay off every day.

A floor man is a straw boss; he oversees and received \$15.00 per day. I have door men, but I generally handle any trouble myself; we don't have much of that. I don't allow anybody in that had been drinking, or anything like that. The door men are paid from \$7.00 to \$10.00 a day, depending on the length of service. The man who operates the Keno game gets \$5.00 a day.

Men selling cards get \$4.00 a day; dealers of black-jack and crap \$7.00 to \$10.00 a day.

The names of the floor men at Harlem are Reilly; Zelnis; Hanley; Bartel; Indes, and we have two or three more at different times. If a game opens, I may take a dealer. I have no connections with any other gambling houses or similar places around town; have no connection with Horse-Shoe run by Jack Sommers, or the Dev-Lin, but I go there a lot; no financial transactions through it.

When we close at night, I put some money in my pocket and some I put in a safe. As a general rule, I leave bank rolls for the next day. I have no Brinks or Armored Car service, just my private safe; and no bank account. Any checks I get in I cash at the Lawrence Avenue Currency Exchange operated by Mr. Brown; prior to that at another exchange within 3 or 4 blocks.

Mr. Brown has been closed for several months. He did not owe me any money. I would take the checks there personally and I would get the money the next day.

I own a Cadillac, 1936; purchased, Oak Park. My wife has a small Buick; I have no bank account; my wife has no bank account. Both of these automobile purchases were cash transactions.

I own my home purchased in 1933; I believe purchase price was around \$5700.00, and I assumed some back taxes and improvements.

629 Prior to taking over Harlem Club, I gambled at different places; had no single place of business. I just went from one smoke shop to another, back rooms, alley crap games, race tracks, anything that you can make a bet and win. I was always successful. I had never been the manager of any place of business.

My home telephone number is Berwyn 2501.

I never used any other name. I resided at present address about 6 years. The title to that property is in joint tenancy with my wife; it is clear. I have no business address. My legal residence has always been Cook County. I am 46 years old. I have operated the Harlem Stables 3 years and never worked for anyone else within the last ten years. Never got a salary from Bill Johnson.

The checks that I cashed at Lawrence Avenue Currency Exchange came to me by my cashing them. I have more checks than what my business would be; I am liable to cash \$1,000.00 worth of checks and if they wouldn't be good, I would be the loser. When I cash a check it does not necessarily mean that I won the full amount. If I would see him

cash out, I would return the check to him. Various times he may cash out three or four times—day \$25.00, \$30.00 or \$40.00, and I wouldn't be able to get it back to him. I cash checks for people in small amounts that they want cashed. Sometimes they want cash to go home with; it has no bearing on what they win.

Neither myself nor wife have had any bank account since the banks started to go under some years ago. I have \$5,000.00 Veterans Insurance—Government; no annuities; might have a few small loans due me, but nothing to amount to anything. I don't hold any notes, and never have 630 had any in the last 10 years. I made no loans to other people in the last 6 years, and have no trustee account for myself or my wife, and no bank accounts in other names.

I have 10 or 20 shares of Peoples Gas stock and get \$10.00 or \$20.00 a year dividends. I never filed any statement of assets and liabilities with banks or trust companies; I acquired the Cadillac in 1936, I believe; wife's car, I believe, in 1938. I purchased no other property besides these cars and the home within the last 6 years, and I received no gifts or inheritance in that time. On the Cadillac, I traded in a Chevrolet coupe. I think it is a 1937 Cadillac purchased in 1936. I have no other sources of income except gambling; was married in 1921; have no children; only been married once; my wife's maiden name was Jessie Downey. She is no relation to William R. Johnson; have no dependents under 18 years, or other dependents of any nature. Own no mortgages, and the only real estate that either myself or wife own is our home.

I recall having been interviewed by a revenue agent with regard to my 1935 income tax return when I claimed depreciation on my Cadillac car. At that time I had both a Cadillac and a Chevrolet. I used the Chevrolet all the time—the Cadillac was old and it was too large. I turned the Cadillac in on a Chevrolet Coupe and then we had two Chevrolets.

I have a safety deposit box at First National Bank and Madison and Crawford; it used to be the Garfield Park Bank and I think it is now the Madison and Crawford. Both boxes held under the names Jessie and James Hartigan.

631 I had the gas stock about 10 years; somebody came in and I purchased it; did not purchase it from a broker.

I first filed income tax returns in 1920; they are made up by Mr. Radomski; I just happened to know he handled that kind of work. He did it for some other fellows I know. I do not believe anybody recommended him to me; I have had him for the last two or three years.

I was operating this business solely on my own account; no one else interested in it; that has always been true. I purchased cashiers' checks at Lawrence Avenue Currency Exchange to pay some of my bills. I paid my Social Security that way. I have no charge accounts at stores; no building and loan accounts. In keeping a record of my income, I just took a certain amount of the business monthly and make a notation of what I take. I keep a memorandum book of that. The part that I don't take is the bank roll; the amount is \$5,000.00; I may have a little bit more each month. During 1937 I took \$1500.00 to \$2,000.00 a month; that would not be each month. I have not this memorandum with me. I may have the 1939 at home clipped to copy of my tax return. I have not been in business since the first of September; have been away two or three times to Park Falls, Wisconsin, twice; I went alone. I met my brother-in-law, Marvin Downey, there. He does not work for me and has not been employed recently.

McLaughlin prepares my Social Security returns every three months, of which I retain a copy. I believe he lives in Highland Park, and you would have to get in touch with him through me. These are supposed to be filed every quarter; I give the name and address of each 632 employee and the amount of salaries; they are paid the following month; I have none for the last quarter; will have to file and show we have none. I have copy for period ending September 30th at my home.

We employ cashiers—ordinarily 3, at one time. They secure bets from sheet writers on the horses; have no cashiers in the evening. The pay-off men make change for the customers. He sits by himself; each table does not pay off. We use chips and money. A man can play either with chips or money. He can buy chips at the table and can get paid off right there. He is off by himself, because if there is anything like \$30.00 or \$40.00 at a time, then money is taken from him and brought to the table. Small amounts are paid off right at the table; sometimes men at the table bring it over, and sometimes I do. There is no record of the transaction. The pay-off man marks it

down; the fellows getting the money don't give him a slip or anything.

The Harlem Stables is located outside the city limits.

I have never done anything about protection. I have not contributed to any political funds or to campaigns or anything else personally, and no one is doing it for me. I bought no tickets for any socials or balls and do not work during election time, nor have any of my men do it.

William R. Johnson and William R. Skidmore have no interest in the business being operated at the Harlem Stables, and have had none during the last 3 years; they have no connection, and no one else is interested in it. It is only so far as if my crap games get too heavy, then I call in Johnson, but he is not a partner. During the year that might happen every day for a week, and then

he may not be in for another week. When he comes 633 in, he takes over the table and all the profits of that particular table. If two tables are hot at the same

time, all of the business is concentrated at the hot table. A player will notice that dice are passing or missing, whichever they are doing, at that table; then you will have all your business concentrated at that table, and I allow no bets with the house there. They bet either way, win or lose. A man can be around the table and make bets without ever handling the dice at all; he can bet either way; that is his privilege. They don't bet among themselves. If both of us came in, I wouldn't bet with you, and you wouldn't bet with me; they can't do that; they either bet with the house or against it. We keep them from betting among themselves as that is our business; we work on a percentage. If they bet among themselves, we wouldn't have anything to do. It is the same as betting on a horse race; if you play every horse, the percentage is against you. It is handled so that in the long run, the percentage is in favor of the house. The house gets no cut in a crap game.

I have no objection to appearing before the Grand Jury.

I have been in Florida for the past week or 10 days; my business was closed, so I left. I was accompanied by my wife and my niece, Bernice Downey. Bernice Downey is still in Fort Lauderdale, Florida. We expect her back any day. I paid some of her expenses. I don't know the hotel at which she is staying; there are dozens of them there. I left there a week ago and she thought she might

be back in a week or 10 days. Just the three of us went down.

634 Exhibit O-210: (Narrative Form)

My name is Jack Sommers; reside at 6144 North Rockwell Street. I am proprietor of a gambling house, and in addition operate a restaurant at 4721 North Kedzie Avenue, and I operate Dev-Lin at Lincoln and Devon.

We operate dice games, black-jack, roulette, poker, horses, and red and black. The number of dice games varies; sometimes at one table, and sometimes we might have three going. I do not have Keno; I know what you mean. Nobody else is associated with me in my business; I am alone; I have no partner. I have been operating gambling houses for 6 or 7 years; I didn't originally open the Dev-Lin; a man named Wait had it and I bought it from him for \$5,000.00. I opened the Horseshoe at 4721 North Kedzie Avenue. I do not know that it had previously been operated as a gambling house.

I have no relations with William R. Johnson; he does come to my place, to gamble; I invite him in. When the plays get too heavy for me to handle, he handles it for me. When someone wanted to shoot crap for more than I thought I could afford, I would telephone Mr. Johnson and he would come in and take over the crap game. He would not pay for the privilege; I was more than glad to have him.

I would cash checks that came in for \$100.00 or \$200.00, if I knew the man; then I would cash the check. I would take them to an exchange and get the money—the Lawrence Avenue Currency Exchange. Prior to that, at another located at Kimball and Lawrence. Mr. Brown 635 had charge of the Lawrence Avenue Currency Exchange. I do not know his first name; I do not know if he had a partner. I know Bernice Downey is related to Hartigan, a friend of mine. I know a few Downeys. I don't know them by first name; one is Pat; there are four or five of them. There is a Brad, Fat, Woos—that is the only way I know their names. My employees vary—at times 100 and at times 25. I had box men who sat between the games, or overseers—two of them. I kept Social Security records and have duplicates; I am willing that Mr. Clifford examine them. I have records of the restaurant operation—they are right up to date. I will locate these for 1938, 1937 and 1936 for Mr. Clifford's examination.

I will produce the Social Security records for your purpose. I carry my Social Security account at the Northern Trust under my own name. I have been operating the Horseshoe Restaurant about 7 years and during that time had no bank account.

I started cashing checks with Brown about the first week I was in business, and prior to that I cashed them with Mr. Marcus on Kedzie Avenue. I cashed quite a few checks with Northern Trust, but had no account there; I just went in and cashed checks. I knew no one there, they just cashed them without question. If a check came back, they called me. Then they thought I was doing a banking business and they stopped me. It was through Mr. Hartigan's solicitation that I transferred my business from Marcus to Brown. When I got checks during the previous evening at the Horseshoe or Dev-Lin, I would take them to Brown or Marcus. Checks taken to Brown could have come from the Dev-Lin; took them over personally, not by messenger.

These checks would not represent the amount of money 636 the men lost in my place; a man might come in with a salary check of \$200.00 or \$100.00 and lose that check and I might cash \$25.00 of that. Again, he might come in with \$100.00 in currency and want \$50.00 more and write a check for \$50.00 and then go on again. The amount of money taken in in checks would not represent the amount lost. I can't say if more money would be played in checks than in cash. People who had been coming in four or five years—we would get to know something about them. I did not cash checks for other fellows who were operating. I would not cash checks for James Hartigan and then pay 25¢ a \$100.00 to cash them for me; that is what I paid Brown and Marcus.

Proprietors of other gambling houses came and gambled at my place; not Hartigan; different bookmakers would come in. I never saw Kelly who runs the D & D in there. Creighton has not gambled in my place; but I have been in places where they have gambled. They would go in and buck the game just like others.

I understand I do not have to make any statements here unless I want to; that I have certain constitutional rights, and that any statement I make may be used against me by the Government; but so long as I am answering questions, I would like a copy when it is over to know what I have answered. I have nothing to conceal. Any statement I make is made voluntarily.

I have never used any other name than Jack Sommers, and I reside at 6144 North Rockwell since May, 1939. Before that I resided at 6146 North Washtenaw Avenue.

637 I have never had any business address other than 4721 North Kedzie Avenue or the Dev-Lin at Lincolnwood.

I don't own the premises on which the Dev-Lin is located; I lease it. I pay \$250.00 a month rent, which I have been paying each month since I have had it. I can't tell you the exact date when I took it. I leased it from John Engslar. He has never had any trouble collecting his rent. If he wanted possession of it at any time he could have it. I have made no improvements; I might have put in a window for more ventilation, or something like that.

I rent the premises at 4721 North Kedzie from month to month. I have been there about 4 or five years and rent from Mrs. Chalmers. I do not know if she owns the premises; she gives me a receipt. I pay the rent in cash—\$45.00 for the restaurant and \$200.00 upstairs, plus \$7.50 for the water bill. The restaurant is on the first floor and the club on the second. There is an entrance from the restaurant to the upstairs coming into the hall.

My legal residence has always been in Chicago. I am 37 years old; married; have been married twice—the last time in 1931; have one daughter by my first wife; she is 17 and lives with her mother. My second wife's maiden name was Margaret Brandenburg; she was married before. Her married name was Butow. My mother is dependent on me. She resides at 5326 North Kimball. My sister was dependent until the early part of this year when she got married. I had my mother-in-law live with me for 7 years and she has been dead about a year now; my sister lived with my mother. She was dependent because my dad died seven years ago. I have no other business outside of the

Horseshoe and Dev-Lin. I keep no record of my daily 638 receipts of gambling, but I do of my restaurant business; one is legitimate and the other is not.

The only bank account I use is the Northern Trust which I only use for social security. My wife has a checking account in Northern Trust; it has to do with the building we are interested in. It is in both our names; it is for the building only. We own the building where we reside which we acquired about May 1, 1939; three apartments and a basement flat there. We live on the second floor; the receipts from the rent are deposited in the Northern Trust

joint account. I borrowed no money nor loan any, nor maintain any trustee accounts in the past six years. My wife has no special account. I never filed statement of assets and liabilities with any bank. I purchased a \$750.00 Government bond in the past six years, and I have an annuity which I have had for three years with the New York Life. The value is \$1500.00, and it is worth \$1260.00. I paid in \$500.00 for three years, making a total of \$1500.00. I was supposed to pay \$500.00 a year for 20 years; I would pay in \$10,000.00. That would have paid \$187.50 a month as long as I live—maturity at 65. I was 34 when I took it out. The money could be had in a lump sum at 65, or it could be divided in any way I would specify. In case of death, my wife would get \$187.50 a month or the total amount. She is the beneficiary; she would get this until the money was exhausted. If I had paid in \$5,000.00, she would not get more than \$5,000.00. They have cancelled the policy—it is worth \$1260.00. One premium was due in October—I have not paid it; I will try to make some money so I can pay. I didn't like to tie up that much money since I am not sure I am going to keep it. I feel it would be better to buy a bond.

639 I have some real estate at 99th and Drexel worth about \$400.00. I have 10 shares Curtiss Publishing acquired about two years ago through the Northern Trust. I have purchased no other stock through brokers; those are my only assets. My wife has inherited \$800.00 from what her mother left. I received this during 1939. There are no encumbrances on the house in which I live. The purchase price was \$18,000.00. I have no other income; own no mortgages; have a safety deposit box at Northern Trust; it is in the name of myself and wife. It is used for securities and cash at times; there is no currency in there now.

Mr. Radomski prepared my income tax return last year; before that Mr. Brantman. There was no particular reason for changing. I was introduced to Brantman by Johnnie Schiffman. I have no partner in my business; I own it 100 per cent. William R. Johnson or William R. Skidmore have no connection with the operation, and no one else has any interest in it and I have no partners. I have not used cashiers' checks or certificates of deposit. I have \$2,000.00 life insurance with Metropolitan taken out about 7 years ago. The premium is around \$120.00 a year. I have no building and loan accounts and have been out of

business since about September 20th, since which time I have been here in Chicago. I have had a little domestic trouble and have been at my mother's for the last six weeks; my wife has not been with me. I have not been out of town since September 20th; I receive my mail at home. My mother lives at 5326 Kimball where I have been staying since last September on account of domestic troubles.

640 If I had paid protection, I would probably be open now. The police closed me; I was arrested by the States Attorney. The local police closed me around September 20th or 25th when I was then operating a store in the 4600 block. I think I closed the Dev-Lin late in summer; I didn't operate at all in September. When I was operating in the city limits, I paid no protection. I have never given anybody any money to pay protection for me as far as I know; nobody ever paid any protection for me. Never made contributions to individual officers or police captains. I bought a few tickets for police meets.

The Ward Committeeman at 4721 is a man named Jensen, and I never talked to him.

I have not seen Brown lately; the only place I ever did see him was in his place of business. If I do see him will be glad to tell him, that you wish to see him.

I do not have cashiers in the gambling place outside of when I run bookies.

I know Orrie Alexander; I don't know where he is now. He made change in my organization. He had nothing to do with paying off the help. I gave money to my bookkeeper and paid when I went back there. If a customer wanted change, he had to go over there and get it. When I took checks to the currency exchange or bank for cashing, if it was not too much, I would get the money right away; sometimes I got it the next day. If it ran \$1,000.00 or more, I would ask for \$10's or singles or silver; something like that. The majority of the checks I got in would be in connection with gambling; there were none in connection with the restaurant.

641 I would have no objection to appearing before the

Grand Jury; I have no objection to talking to anybody. You can reach me at Sheldrake 2777; it is not a listed telephone. If you telephone me to come before the Grand Jury, I will respond at the time you expect me in.

I have social security records for this year at my home.

642 PETER WADZINSKI, called as a witness on behalf of the Government, having been first duly sworn, was examined and testified as follows:

Direct Examination by Mr. Plunkett.

My name is Peter Wadzinski. They call me Watts for short. I live at 1523 West Fullerton Avenue. I was employed at the Harlem Stables. It was about September, 1934, when I started there. I was working for Glenn Glave and Russell Glave. My employment ceased there about February, 1935. I do not recall the exact month.

I have seen the defendant, William R. Johnson, once at the Harlem Stables, when I went there to collect my back wages. That was about July or August, 1936. My wife went with me. When I got there I seen Earl Jackson. The first time I went there was in the afternoon, and Earl Jackson told us to come back that evening. I saw Mr. Johnson in the evening. I went down to see about claiming my back wages. Russel Glave, Charlie Clark, Glenn Glave, Mr. Johnson, Sommers and a few other men were there. My wife was with me. I did, along later in the evening, have a conversation with the defendant Johnson. That was in the rear of the building. There is two rooms there, what they call the front end and the back room, the back end. It was in the back room. The back part of the premises was being used at that time. Outside of us there was a few people sitting around there. The Glave boys, Clark and some other people were there when Johnson and I had this conversation.

Mr. Callaghan: I object, if your Honor please, on behalf of all the other defendants.

The Court: Overruled.

The Witness: Mr. Johnson asked me how much I had coming. I told him it was about \$400.00. He says he
643 couldn't pay that much and asked what I would settle for. I thought for a minute. I told him about \$250.00. Mr. Johnson said he couldn't pay that much. He asked me if I would settle for \$100.00. My wife and I talked it over. I told him that I would accept \$100.00. I got the \$100.00. It was handed to my wife by Mr. Johnson. There was nothing else said by the defendant Johnson on that occasion. Sommers was there, but I didn't talk very much to Sommers

that evening. I would not be able to recognize him. I just got a glimpse of the man that evening. I do not know his first name.

Cross-Examination by Mr. Thompson.

I understood that this man that I was talking about last was named Sommers—I don't know exactly which it was—I probably would know him if I had a good look at the man. I had \$400.00 coming when I went out there. When I went out there to collect along about July or August, 1936, the money I had coming was money owing to me by these Glave brothers. I started to work with the Glave brothers in August or September, 1934 and I worked with them until February, 1935. The pay was supposed to be \$20.00 a week. I worked for them about four months in 1934 about a month in '35, about twenty weeks altogether. At \$20.00 a week that is \$400.00. I received one check during all that time for my work, for \$15.00. That employment ceased about February, 1935. I went to this place and asked them for my money along about July or August; I was notified by Mr. Russell Glave that they are paying what they owe, settling old accounts, to go down and see them. I could collect mine. He didn't mention just who was paying—he says to go down. I knew this man Jackson. Then I went down there. He used to work for Glaves when I was down there. He probably ran the place after I was gone. He worked for them while I did, as a bartender. He was not a manager that I knew of. A fellow there by the name of Fred, who managed the place when the Glave boys were away. He wasn't the boss, but he seemed to have charge when the Glave boys were not there. The Glave boys were there in the evening. They were not there in the daytime. When Fred wasn't there in the daytime Earl Jackson, the bartender, would be there. He was right there in the afternoon and evening.

Q. You were not there then after Jackson took the place over from the Glave boys.

A. No, sir. I was gone.

I spoke to the Glave boys during this year and three months, trying to collect my wages. I saw them occasionally. They didn't seem to have the money. I did not trust them any too hard about it. And I went out to the Harlem

Stables and found quite a number of men around the place out there, and Mr. Johnson worked out a settlement and gave me \$100.00. That is all I know about it. I hadn't done any work for Mr. Johnson. All I know is that I talked with him. He settled the matter—he gave me \$100.00. I didn't sign a release or anything.

IDA WATTS, called as a witness in behalf of the Government, having been first duly sworn, was examined and testified as follows:

Direct Examination by Mr. Plunkett.

My name is Ida Watts. I am the wife of Peter Watts, or Wadzinski. I live at 1523 Fullerton Avenue.

I have seen the defendant, William R. Johnson, once, in the Harlem Stables, 4301 Harlem Avenue. I was there and saw him in the summer of 1936. My husband was with me. When we got out at the ballroom at the Harlem Stables that evening I saw Earl Jackson, Russel Glave and Charley Kolarik, and Mr. Johnson and another man or two that I don't know who they were. They were in the Stables.

645 There was a conversation between Mr. Johnson and us. We had made previous trips out there to effect a settlement for our wages and we were told that if we would come that evening we could see Mr. Johnson and when we got out there and he asked if we had any wages coming and my husband told him that he had some wages coming for some work that he did for the Stables. And he said, "How much have you got coming," and my husband told him.

Mr. Callaghan: We object to this on behalf of all of the defendants on the ground it is not material, not binding on them.

The Court: Overruled.

The Witness: My husband told him that he had approximately \$400.00 coming, and Mr. Johnson said, "Well, what do you want for settlement" and he said "I think I should have \$250.00 at least." Mr. Johnson said, "You won't get anything like that." He said, "If you want to take \$100.00 and settle it we are willing to do that." So my husband and I stepped aside and we conferred a minute

or two and my husband walked back and told him that he would take the money. Then Mr. Johnson had the money in his hand and he started to hand it to my husband and my husband says, "Give it to my wife, she is the cashier." He gave me the \$100.

CHARLES KOLARIK, JR., called as a witness in behalf of the Government, having been first duly sworn, was examined and testified as follows:

Direct Examination by Mr. Plunkett.

My name is Charles Kolarik, Jr. I live at 2434 South Harding Avenue. I am in the printing business now. I was employed at the Harlem Stables by Russell and 646 Glenn Glave. I worked there in the latter part of '34 to the latter part of '36. I was keeping their books. I was not there steadily—I came once a week about two hours in the evening.

I know the defendant, William R. Johnson. I first saw him at Walter Sass' home. That was in the latter part of 1936. I saw him after that at the Harlem Stables. That was shortly after the meeting we had at Walter Sass' home.

When I saw the defendant Johnson at the Harlem Stables there was present Jack Sommers, Russell Glave and Earl Jackson. That is all that I can recall now. I know Peter Watts. He was also there. He came in afterwards. I came in and I asked Mr. Johnson for the money that was due Watts and myself. At that time there was \$400.00 due me. Johnson said that he thought he paid off everything, and he wanted to get rid of the whole thing, and he had Jack Sommers come over and the cashier came over and gave me \$100.00. Prior to this there was a conversation in this respect in Walter Sass' home. The whole matter was supposed to be settled, and we settled on \$100.00, but I didn't get it at that time. I got it later, in the Harlem Stables. At the time I was at the Sass home I saw Russell and Glenn Glave, Elmer Johnson, William Johnson, Jack Sommers, Roman Clevis, and there were three or four other gentlemen that I didn't recognize there. I see the Jack Sommers I have been referring to in the courtroom (indicating the defendant Jack Sommers). I see the defendant Johnson here in the courtroom (indicating the defendant Johnson).

Prior to the time that Jack Sommers gave me the \$100.00 there had been no conversation in my presence concerning it. I did not hear any conversation between Sommers and Johnson. All he did was to call over Sommers, and told him to see that I got a hundred dollars, and he went over to the cashier, or the clerk, and the clerk came over with a hundred dollars.

647 *Cross-Examination by Mr. Thompson.*

I worked for the Glave Brothers between the latter part of '34 and the latter part of '36. I was out there about two hours once a week. I was keeping their records. I received an average of about fifteen a month. I worked twenty-four months. I had a balance of \$400.00 coming when I quit working for them. Twenty-four months at fifteen a month is \$360.00, but I did some extra work for them. They didn't pay me anything.

(Thereupon Mr. Hurley read to the Jury Exhibits R-52 to R-57, the returns of James A. Hartigan; R-44 to R-49, the returns of John M. Flanagan; R-35 to R-42, the returns of Jack Sommers; R. 24 and R-25, the returns of Reginald Mackay; R-15 to R-19, the returns of William P. Kelly; and R-58 to R-64, the returns of Andrew J. Creighton.)

648 IRWIN MARCUS, called as a witness on behalf of the Government, having been first duly sworn, was examined and testified as follows:

Direct Examination by Mr. Miller.

My name is Irwin Marcus. I operate a currency exchange. I live at 4804 North Kimball Avenue. I have been in business in that location since 1936. Prior to that time I was located at 3424 Lawrence Avenue from 1932 to 1936. I know the defendant Jack Sommers. I see him in the courtroom.

(Indicating the defendant Sommers.)

I first met him around June, 1936, at 3424 Lawrence Avenue at the place of business there. He came in with some checks. He wanted to make arrangements to cash them. I gave him a rate of 25 cents a hundred. He agreed to
649 stand behind all checks that came back.

Q. Was there anything else said at that time by Mr. Sommers or yourself?

Mr. Thompson: We object to any conversation outside of the presence of the other defendants, as far as they are concerned, as hearsay.

The Court: Overruled.

The Witness: He told me at that time that he wanted the large bills, one-hundred dollar bills, in exchange for the checks. I saw the defendant Sommers almost every day for about a month straight. Then he introduced me to a man named Maurice Downey. I had a conversation at that time with the defendant Sommers. This Downey was present.

Q. Tell us what was said or what was done at that time?

Mr. Thompson: We object as to all defendants except the defendant Sommers.

The Court: Overruled.

The Witness: Mr. Sommers told me that Mr. Downey would bring the checks in every day; that his initials would hold the same guarantee as Mr. Sommers. Thereafter, Mr. Downey continued to bring the checks in from July, 1936, until around July, 1938. Those checks that were brought in by either Mr. Downey or Mr. Sommers bore their initials. The marks on the checks were either J. S. or M. D. There were other marks placed on these checks. There were initials of K. L. and L. T. and D. D. In the course of this period, from June, 1936, to July, 1938, I paid the utility bills and wrote some money orders for the defendant Sommers. We would call the bank and verify if the check was Okay before depositing it. They also brought cash in once in a while. We would exchange them for one-hundred dollar bills or new fives or new tens. That happened on several occasions. I lost this business in July of 1938. I called Mr. Sommers and asked him why I lost it.

Mr. Thompson: Just a moment. We object to any conversation on this subject outside of the presence of the rest of the defendants. It is hearsay. Furthermore, it is altogether immaterial to any issue in this case.

The Court: Overruled.

I called Mr. Sommers and asked him why I lost this business and I believe he said that Mr. Brown was a tenant of their building and that he felt that he was entitled to the business. I know the defendant Stuart Solomon Brown. I see him in the courtroom.

Mr. Thompson: I move to strike that conversation, being hearsay as to the other defendants, immaterial.

The Court: Overruled.

Mr. Thompson: Carrying with it a legal conclusion.

The Court: Overruled.

Mr. Thompson: Relationship between Brown and somebody else, I don't know who.

The Court: Overruled.

The defendant Brown came into my place just before he opened up the exchange on Lawrence Avenue. That would be in 1938, and he told me he was going—

Mr. Thompson: We object to any conversation with the defendant Brown as hearsay as to all the rest of the defendants.

The Court: Overruled.

651 He told me he was going to open up an exchange around the corner, and I tried to convince him that there wasn't enough room for two and he told me he had some outside business, that he wasn't going to interfere with me. It was subsequent to that conversation that the defendant Sommers quit bringing checks into my place of business. I don't know what business Mr. Brown was in at the time I talked with him. All I know was that he was going to open up a currency exchange. He did open up a currency exchange located at 3424 Lawrence Avenue. The name of it was Lawrence Avenue Currency Exchange. It was a half a block from my place of business. The name of my currency exchange was the Albany Park Currency Exchange.

In cashing checks for Mr. Sommers, most of it was paid in hundred dollar bills and new five dollar bills or new ten dollar bills.

Q. And what percentage of the total handled for Mr. Sommers would be in hundred dollar bills, if you know?

Mr. Thompson: We object to any approximation by percentages. We haven't any aggregate yet. The percentage doesn't mean anything when we don't know what the aggregate is. And the aggregate is immaterial.

The Court: What is the purpose of the question?

Mr. Miller: To show by this witness that most of these checks that were cashed were cashed in exchange for hundred dollar bills. There is already evidence in the record showing the use of hundred dollar bills in this case.

The Court: Let him answer.

The Witness: I don't know just exactly what the amounts would be. Sometimes they would come in and get \$3,000.00 in hundred dollar bills, sometimes less. Most all of the checks cashed by me for the defendant Sommers would be paid in hundred dollar bills. After I received the money for the checks brought in by Mr. Sommers, I would divide it into envelopes and give them to Mr. Downey.

Q. And what would you put on the envelopes, write anything on the envelopes?

A. Yes.

Mr. Thompson: We object to that as hearsay; we are not bound by what this witness put on any documents.

The Court: He may answer.

The Witness: K. L., D. D., and L. T. I delivered these envelopes to Mr. Downey.

Q. What did K. L. mean on that envelope?

Mr. Thompson: We object. There again he is asking for the same thing Your Honor sustained the objection to twice. Each time it has been developed that Mr. Downey told him all he knows about it.

Mr. Hurley: I think the first question that was asked was objectionable, because it called for a conversation of Downey, but here I contend that Downey is the agent of Sommers. He might not be able to detail the conversation with that man but at the same time he can tell what he did as the result of that conversation and what he worked under. The marking K. L. had a meaning, a significance, and we have a right to bring it out without the conversation.

The Court: I think both of your former questions were objectionable. Read this question.

(Question read as above recorded.)

The Court: What did it mean to you?

The Witness: Kedzie and Lawrence.

653 The Court: I think I will let that stand.

The Witness: The Horse Shoe was at Kedzie and Lawrence. That was a gambling place. The symbol D. D. put on one of those envelopes by me meant Division and Dearborn. That was also a gambling place. The letters L. T. put on an envelope by me means Lincoln Tavern.

Mr. Thompson: Object to all these questions as hearsay, Your Honor; already has been so developed.

The Court: Overruled.

The Witness: Lincoln Tavern was also a gambling es-

tablishment. Government's Exhibit X-139 for identification are the sheets we enter the checks on. They are kept under my supervision and control, and they are part of the permanent records of my business. The date was placed in column 1. The next column contained the bank number, and the next the maker of the check. And next column, the endorser, and the next column, the second endorser, and in the next to the last column the amount, and in the last column the fee. These records were kept by me in the usual and ordinary course of the business. It is customary in my business to keep such records.

The period of time covered by Government's Exhibit X-139 for identification is from June 1, 1936, until June 30, 1936. Government's Exhibit X-139 contains a complete record of all the checks cashed by me during that period of time.

I have seen Government's Exhibit X-140 for identification, consisting of a number of sheets, before. Those are my records. They are records of check entries from July 1936 until July 31, 1936. They are similar to the records

I have just described as Government's Exhibit X-139.
654 These records contain a record of all the checks cashed by the defendant Sommers in my place.

Government's Exhibit X-141 for identification consisting of 45 sheets are check records as of August 1, 1936, until September 1, 1936.

Government's Exhibit X-142 for identification, consisting of a group of 47 sheets, contains a record of checks cashed during the period of September 1, 1936, until September 30, 1936, by the defendant Sommers. These are checks entered for that period.

Government's Exhibit X-143 for identification, consisting of 56 sheets, are checks from October 1, 1936, until October 31, 1936. The initials "M.D." on Government's Exhibit X-143 for identification, bearing the date of Friday, October 16, 1936, about five or six lines down, the third to the last column, mean Maurice Downey. That is the same Downey that was introduced to me by the defendant Sommers, and who brought in checks to me for the defendant Sommers.

Government's Exhibit X-144 for identification, consisting of a group of 51 sheets, are checks from November 2, 1936, until November 30, 1936. records of my
655 company. Government's Exhibit 144 contains a rec-

ord of the checks cashed by me on behalf of the defendant Sommers.

Government's Exhibit X-145 for identification, consisting of a group of 67 sheets, are checks entered December 1, 1936, to December 31, 1936, and are part of the permanent records of my company. Government's Exhibit X-145 for identification contains a record of the checks cashed by me on behalf of the defendant Sommers.

Government's Exhibit 146 for identification, consisting of 60 sheets, are checks from January 2, 1937, until February 1, 1937. Government's Exhibit X-146 contains a record of checks cashed by me on behalf of the defendant Sommers.

Government's Exhibit X-147 for identification, consisting of a group of 59 sheets, are checks from February 1, 1937, until March 1, 1937. Government's Exhibit X-147 for identification contains a record of the checks cashed by me on behalf of the defendant Sommers. These exhibits that

I have been referring to do not contain a record of all 656 the checks cashed by me on behalf of the defendant

Sommers. The checks that we didn't have time to enter down on there are left out and they would reflect in our deposit slip. We did not make any record of the checks that are not on these records. They are on the deposit slips. That is the only record I have of checks that are not on these records.

Government's Exhibit X-148 for identification, consisting of 58 sheets, are checks from March 1, 1937, until April 1, 1937. Government's Exhibit X-148 for identification includes all of the checks cashed by me on behalf of the defendant Sommers.

Government's Exhibit X-149 for identification, consisting of 64 sheets, are checks from April 1, 1937, until March 1, 1937. Government's Exhibit X-149 for identification includes checks cashed by me on behalf of the defendant Sommers.

Government's Exhibit X-150 for identification, consisting of a group of 64 sheets, are checks from May 1, 1937, until June 1, 1937. Government's Exhibit X-150 for identification includes a record of checks cashed by me on behalf of the defendant Sommers.

657 Government's Exhibit X-151, for identification, consisting of a group of 66 sheets, are checks from June 1, 1937, until June 30, 1937. Government's Exhibit X-151,

for identification, includes a record of checks cashed by me on behalf of the defendant Sommers.

Government's Exhibit X-152, for identification, consisting of a group of 72 sheets, are checks from July 1, 1937, to August 2, 1937. Government's Exhibit X-152, for identification, includes a record of checks cashed by me on behalf of the defendant Sommers.

Government's Exhibit X-153, for identification, consisting of a group of 64 sheets are checks from August 2, 1937, to August 31, 1937. Government's Exhibit X-153, for identification, contains a record of checks cashed by me on behalf of the defendant Sommers.

Government's Exhibit X-154, for identification, consisting of a group of 57 sheets, are checks from September 1, 1937, until October 1, 1937. Government's Exhibit 658 X-154 for identification includes a record of checks cashed by me on behalf of the defendant Sommers.

Government's Exhibit X-155, for identification, consisting of a group of 61 sheets, are checks from October 1, 1937, until November 1, 1937. Government's Exhibit X-155, for identification, includes a record of checks cashed by me on behalf of the defendant Sommers.

Government's Exhibit X-156, for identification, consisting of a group of 52 sheets, are checks from November 1, 1937, until November 30, 1937. Government's Exhibit X-156, for identification, includes a record of checks cashed by me on behalf of the defendant Sommers.

Government's Exhibit X-157, for identification, consisting of a group of 56 sheets, are checks from December 1, 1937, until December 31, 1937, kept by me in the usual and ordinary course of my business. Government's Exhibit X-157, for identification, includes checks cashed by me on behalf of the defendant Sommers.

Government's Exhibit X-158, for identification, consisting of a group of 44 sheets, are checks from January 659 3, 1938, until February 1, 1938. Government's Exhibit X-158, for identification, includes a record of checks cashed by me on behalf of the defendant Sommers.

Government's Exhibit X-159, for identification, are a group consisting of 44 sheets and are checks from February 1, 1938, until February 28, 1938. Government's Exhibit X-159, for identification, reflects a record of checks cashed by me on behalf of the defendant Sommers.

Government's Exhibit X-160, for identification, consist-

ing of a group of 60 sheets, are checks cashed from March 1, 1938, until April 1, 1938. Government's Exhibit X-160, for identification, contains a record of checks cashed by me on behalf of the defendant Sommers.

Government's Exhibit X-161, for identification, consisting of a group of 58 sheets, are checks from April 1, 1938, until April 30, 1938. Government's Exhibit X-161, for identification, contains a record of the checks cashed by me on behalf of the defendant Sommers.

660 Government's Exhibit X-162, for identification, consisting of a group of 40 sheets, are checks cashed from May 2, 1938, to June 1, 1938. Government's Exhibit X-162, for identification, contains a record of checks cashed by me on behalf of the defendant Sommers.

Government's Exhibit X-163, for identification, consisting of a group of 55 sheets, are checks from June 13, 1938, until July 1, 1938, kept by me in the usual and ordinary course of my business. Government's Exhibit X-163, for identification, contain a record of checks cashed by me on behalf of the defendant Sommers.

Government's Exhibit X-165, for identification, consisting of a group of 53 sheets, are checks from July 1, 1938, until August 1, 1938. Government's Exhibit X-164, for identification, contains a record of checks cashed by me for the defendant Sommers.

Government's Exhibit X-165, for identification, consisting of a group of 46 sheets, are checks from August 1, 661 1938, until September 1, 1938. Government's Exhibit X-165, for identification, reflects a record of checks cashed by me on behalf of the defendant Sommers.

Government's Exhibit X-166, for identification, consisting of a group of 44 sheets, are checks from September 1, 1938, until October 1, 1938. Government's Exhibit X-166, for identification, contains a record of checks cashed by me for the defendant Sommers.

Government's Exhibit X-167, for identification, are checks from October 1, 1938, until November 1, 1938. Government's Exhibit X-157, for identification, contains a record of checks cashed on behalf of defendant Sommers.

All of these sheets are a part of the permanent records of my Company, are kept by the Company in the usual and ordinary course of business under my supervision and control and it is usual and customary in our business to keep such records.

Q. You stated, Mr. Marcus, that these exhibits you have just identified, contain a record of checks cashed on behalf of the defendant Sommers. Now, can you tell how the checks cashed on behalf of defendant Sommers are designated in those records?

Mr. Thompson: We object to this as hearsay as to all of the other defendants. It is in no way material to the issue in this case,—the amount of taxable income of the defendant Johnson.

The Court: Overruled.

The Witness: By the initials J. S. and M. D. Those are the only two initials there.

662 Q. I show you Government's Exhibits X-64, X-137, and X-138, in evidence, and call your attention to the reverse side of the checks and ask you to state if you recognize your bank stamp on that check?

A. Yes, sir.

I recognize M. D. on the back of that. That signifies Maurice Downey. That is one of the checks brought to my place by Maurice Downey on behalf of the defendant Sommers.

Mr. Thompson: We object to this on behalf of defendant Sommers. It is an assumption, without any proof.

The Court: Overruled.

I recognize my bank stamp on Government's Exhibits X-64, and X-167, and the initials "M. D."

Q. Mr. Marcus, on checks brought in on behalf of defendant Sommers, is there any other designation in your records, other than J. S. or M. D.?

A. K. L. and D. D.

Mr. Thompson: We object to this as hearsay.

The Court: Overruled.

Q. Are there any other checks or symbols in your records by which you identify such checks?

A. That number 1, 2 and 3.

Q. What does number 1 mean on your records in regard to those checks?

Mr. Thompson: We object to that. There is no proof that he knows anything about those symbols.

663 The Court: Overruled.

Mr. Thompson: He is not the agent of these defendants.

The Court: Overruled.

Mr. Thompson: And certainly not of the defendant Johnson, your Honor.

The Court: Overruled.

The Witness: Kedzie and Lawrence.

Q. What does that number 2 on your records indicate with regard to those checks?

664 Mr. Thompson: We object to that.

The Court: Overruled.

The Witness: Harlem Stables.

Mr. Miller: What does that number 3 mean?

Mr. Thompson: Same objection.

The Court: Overruled.

The Witness: A. Division and Dearborn.

These designations are made in the last column of my records, the third column on the right. That is true of every sheet in these exhibits to which I have testified. That is true of all numbers, initials, and symbols to which I have testified.

Mr. Thompson: We move to strike the answers with respect to these exhibits, what they show; hearsay.

The Court: Overruled.

Mr. Thompson: Particularly on behalf of the defendant Johnson.

The Court: Overruled.

The Witness: Other than the symbols, initials, and numbers I have testified to, I don't remember using any other. I don't remember these letters "H. S."

Government's Exhibit X-191, for identification, consisting of a bundle of sheets, are deposit slips reflecting deposits made in the Milwaukee and Ashland Avenue Bank.

Q. Referring you specifically to deposit slip of July 24th, 1936, part of Government's Exhibit X-191 for identification, which shows a deposit of currency, \$5,000.00, state if you know where that currency came from?

Mr. Thompson: We object to this testimony as hearsay as to all of the defendants.

665 The Court: Overruled.

The Witness: That \$5,000 was brought in by either Downey or Sommers.

Mr. Thompson: We object and move to strike the answer on the ground it is not connected with any defendant.

The Court: Motion denied.

Mr. Miller: Q. Will you examine these tickets, comprising Government's Exhibit X-191, and state if you know where every deposit of currency came from and give the dates of the deposits?

A. July 24th, \$5,000.00, that was brought in by either Mr. Downey or Mr. Sommers. August 31, 1936, \$1700.00. That is all.

Q. What about it?

A. It was brought in by either Mr. Downey or Mr. Sommers.

Q. Go through all the tickets, Mr. Marcus, please, and tell us where the currency came from, if you know?

Mr. Thompson: We object to any such testimony as having no tendency to prove the taxable income of the defendant William R. Johnson and hearsay as to the defendant Johnson and as to all the other defendants, except Sommers, and hearsay as to Sommers, when he does not know whether it is Sommers or Downey.

The Court: Overruled.

The Witness: February 26, 1937, \$1,000.00; March 2nd, 1937, \$2,000.00; March 5th, 1937, \$2,000.00; March 13th, 1937, \$1,000.00; March 26th, 1937, \$2,000.00; April 5th, 1937, \$1,570; April 6th, 1937, \$775.00; April 15th, 1937, \$1,500.00; April 17th, 1937, \$1,000.00; April 28th, 1937, \$1,000.00;

April 29th, 1937, \$450.00; May 1st, 1937, \$4,512.50; May 6th, 1937, \$1,600.00; May 8th, 1937, \$800.00; May 18th, 1937, \$5,000.00; May 19th, 1937, \$2,500.00; May 20th, \$2,000.00; May 22nd, \$1,000.00; May 24th, \$1,400.00; May 25th, \$4,700.00; May 27th, \$3,800.00; June 1st, \$3,000.00; June 9th, \$31,000.00; June 19th, \$5,000.00; June 23rd, \$4,120.00; June 24th, \$3,500.00; June 25th, \$4,700.00; June 26th, \$800.00; June 29th, \$2,500.00; July 10th, \$1,675.00; July 21st, \$430.00; August 5th, \$500.00; August 10th, \$4,000.00; August 17th, \$650.00; August 23rd, \$3,500.00; August 25th, \$4,000.00; August 26, \$2,500.00; August 28th, \$1,500.00; September 3rd, \$1,215.00; September 4th, \$2,200.00; September 8th, \$1,200.00; September 11th, \$1,200.00; February 21st, \$2,000.00; February 25th, \$500.00; March 3rd, \$1,000.00;—

Q. What year are you in now, Mr. Marcus? You had better state the year.

A. March 21st, 1938, \$1,000.00; March 31st, 1938, \$1,000.00; April 19th, 1938, \$3,000.00; April 20th, 1938, \$3,050.00; April 23rd, \$1,000.00; April 26th, \$2,000.00; April 27th, \$1,500.00; April 28th, \$2,000.00.

Q. Is that all in the year 1938?

A. Yes, sir.

May 9th, 1938, \$5,000.00; May 10th, \$5,500.00; May 11th, \$1,500.00; May 12th, \$2,000.00; May 14th, \$3,700.00; May

16th, \$2,500.00; May 17th, \$1,601.00; May 18th, \$2,000.00; May 19th, \$600.00; May 20th, \$1,100.00; May 21, \$1,050.00; May 23rd, \$5,000.00; May 24th, \$4,500.00; May 25th, \$6,500.00; May 26th, \$1,000.00; May 27th, \$3,700.00; May 31st, \$10,400.00; June 3rd, \$400.00; June 6th, \$2,500.00; June 7th, \$10,001.00; June 8th, \$2,001.00; June 10th, \$1,000.00; June 13th, \$5,020.00; June 14th, \$5,000.00; June 16th, \$1,500.00; June 17th, \$2,000.00; June 20th, \$10,000.00; June 21st, 667 \$2,000.00; June 22nd, \$150.00; June 25th, \$150.00; June 24th, \$116.00; June 27th, \$13,000.00; July 1st, \$250.00; July 5th, \$650.00; July 6th, \$4,000.00; July 19th, \$8,100.00; July 13th, \$4,652.00; July 15th, \$500.00; July 16th, \$4,000.00.

Q. You stated, Mr. Marcus, that you had performed various services for the defendant Sommers. Did you state all of the things you did for him during that period?

Mr. Thompson: I object to that as immaterial to the rest of the defendants, and not tending to prove any issue in this case.

The Court: Overruled.

The Witness: I have not had any conversations with Mr. Sommers other than we have related with regard to cashing of these checks.

I do recall making up a card index system for Mr. Sommers. I called him and told him that he could be stuck with quite a bit of money there if he did not keep tab from one place to another. A man may come into one place and cash a check and then may go to another place. And I offered to make up a card index for him. He told me to go ahead but he never called for it. I made up an index with just the man's name and what bank the check was drawn on. This index was never used. I would get the names to put in this card index from the entry sheet there, the checks that had already been cashed for the defendant.

There are items on Government's Exhibit X-149, being a sheet dated April 1, 1937, that I can identify as coming from the defendant Sommers. They bear the symbols

"H. S. M. D.; then K. L. M. D."

668 Q. Can you now state what H. S. means?

A. I presume it is Harlem Stables.

Mr. Thompson: We object to that and move to strike it as a presumption, and also as hearsay as to all these defendants.

Examination by the Court.

H. S. stood for Harlem Stables. I did not put the letters on there. The teller did that under my direction. He put it down there to indicate Harlem Stables. It is just the initials of Harlem Stables. It was on the back of the check. H. S. is on the back of the check. He put the same entry on the sheet. That was on the back of the check.

The Court: I think I will let it stand.

Mr. Miller continues his examination.

Referring again to sheet dated April 1st, 1937, out of Government's Exhibit 149 for identification, those letters H. S. M. D. indicate that check was brought in by Mr. Downey. That is the same Mr. Downey that was introduced to me by Mr. Sommers. That is true of the places where the symbols H. S. M. D. would appear in my records. The tape attached to that ticket dated July 24th, 1936, in Government's Exhibit X-191 for identification is part of the original ticket deposited by me in the bank. The tape was made up in our office. A copy went to the bank and we kept the other copy. I recognize it as such.

Cross-Examination by Mr. Thompson.

I have operated this currency exchange eight years. It is an individual. There were two employees in this period of time we are talking about, in June, 1936, two in July, 1936. I mean one and myself. We moved around the corner to 4804 North Kimball Avenue. I had two there. I always had just myself and one person. I employed the same person at all times. The handwriting on the front page of Government's Exhibit X-137 is that of a fellow by the name of Blumenthal. He was my clerk. The writing of June 6th and the check "Paddor Brothers" was by a girl by the name of Rose Parrish. She filled in for me. She took my place that day. She is the one that put the initials "J. S." over here in the column third from the right. This appearing on the line of June 5 is F. Growka, who had a McCarthy Foundry Company check for \$26.60 and he cashed it with Mr. J. Horah and Mr. Sommers in turn cashed it for Mr. Horah. I do not know anything about that check. I think this girl worked for me up until June 15th.

The writing in green ink along about the middle of June is that of my daughter. There were four that worked on this exchange various times, but there were never more than two. I never entered any checks. I do not know anything about my daughter having entered checks, put down "J. S." and then scratched it out. That occurred on several places. I do not know Edelbert Rice, C. Garricks, Nick Karkazis, Ben Alson, or W. S. Bieck. We cashed checks for anybody that came in there with a check. They identify themselves. I believe we have a card on file for Sam Sweitzer. I don't think I know Dick Harris or John Brady. J. S. is written after the names you have read and then scratched out. That is all in my daughter's handwriting. She is going to be 18 next month. Just helped out after school. She was 14 in 1936. She was in first year high school, when doing this work.

I don't remember Henry B. Young. I do not know Mr. Bowen that also cashed a U. S. Treasury check, or Robert Lamar. My regular fee for cashing checks was \$.35 a hundred. The employees of the City of Chicago that 670 cashed checks there got a special rate, all from the Albany Park police station. Those are policemen. My regular charge to the casual patron was thirty-five cents a hundred, but ten cents was the minimum charge.

Referring to Government's Exhibit X-145 for identification, under the date of December 1, line 2, December 1st is the date of the check, and the next would be the bank number. 2-11, that is the City National Bank of Chicago. The next is H. B. Gregory. That is the maker of the check. The next, the payee, M. D., the endorser. This particular check was made out to cash. I know because we haven't any endorser on here. We cash checks payable to "cash" and payable to "Currency." I wouldn't cash a check payable to M. D. I wouldn't see that check when it came in. I know the way we cash our checks. All of the tellers do the same thing. "M. D." indicates to me that the endorser on the check is "M. D." and the next line indicates that the second endorser on the check was "M. D." He wrote "M. D." on it twice. He wrote it down below, too. Down below is "L. T." "M. D." I don't remember whether I saw that particular check, but from the indication on that check register, it would show that "M. D." was on top, then underneath would be "L. T." and "M. D." The writing on the sheet looks like Mr. Blumenthal's. He doesn't work for me now. A fellow by the name of Naiditch

is working in his place. It is two years since Mr. Blumenthal worked for me. I don't know where he is. I think he and his wife have a liquor store on Lawrence Avenue. That is a \$25.00 check we have been talking about.

671 I don't think there were any transactions with Mr. Sommers during the month of December, 1938. Mr. Sommers was not doing business with me in October, 1938. I did not take a look at X-167, to see whether any transactions are on there with Mr. Sommers in October, 1938. I didn't go through the whole record. I didn't find any transactions with Mr. Sommers for the month of October, 1938, in Exhibit X-167. Those forty-seven sheets marked X-167 do not relate to any dealings with Mr. Sommers at all. I did not have any with Mr. Maurice Downey in this month of October, 1938. None of these transactions, about which I was being examined, occurred during this month of October, 1938.

Q. And you were in error when you answered the United States Attorney that this exhibit showed any transactions with Mr. Sommers?

A. Well, I didn't go through the records; though I thought they went through the records, so that I just took that—I took it for granted it would be in there if we had any transactions.

The Witness: I don't think we did have any transactions with Mr. Sommers in September, 1938, Exhibit X-166.

Q. And so the reason that you answered "Yes" to the question that that exhibit showed transactions with Mr. Sommers, was because you had gotten in the habit of saying "Yes"?

A. I thought that everything was in that record.

Q. You just assumed that because Government's counsel asked if the record showed that, it showed it because he had it in his hand: is that right?

The Witness: No audible answer.

672 I don't remember whether or not Exhibit X-165, which is August, 1938, has any record of transactions with Mr. Sommers. If it is in the record we had transactions. I can't tell whether we did or whether we didn't. I had no transactions with Mr. Sommers unless it appears in this third column from the left—the initials "J. S." or the initials "M. D.", and if the initials "M. D." appear there that means that it was brought in by Maurice Downey. Maurice Downey is the man introduced to me by Mr. Sommers. That was after Mr. Sommers had done business with

me for about a month. He commenced doing business with me in June, 1936, and would come over with checks and cash those checks. He told me he was going to have checks almost every day and would like to have a special rate, and I charged him 25c a hundred for cashing checks for him. I didn't charge him anything for the service rendered in respect to cash. That consisted of taking old bills down to the bank and exchanging them for new fives, tens, twenties and hundreds. Mr. Sommers would come in with old bills of all denominations, soft bills which had been used, and he would ask me to send them down by Brinks Express to the bank and exchange them there for new five, ten, twenty dollar bills, and so on.

I don't remember what he told me, but I know, that some of the bills had dates on them. That is all I know. I never questioned him.

Q. Did he explain to you that those dates stamped on the bills indicated bills used by shills in his place, or did he tell you anything about it?

A. I think he did say something, that they used that money, but what it was for, I don't recollect.

I didn't have much to do with gambling houses. All of this cash that I handled was merely in exchange of bills. I don't know whether or not the same money ways turned over and over again every week. I didn't keep the 673 numbers of the bills. These amounts came in various amounts. Sometimes he would bring in a thousand in cash to be exchanged.

The \$5,000 appearing on the X-191, bearing date of July 24, 1936, a deposit slip on the Milwaukee Avenue National Bank of Chicago, for the account of Albany Park Deposit and Exchange, was cash brought into my place by Mr. Sommers or Mr. Downey. These two men were the only ones that brought cash in there. If the money was brought in by either Mr. Sommers or Mr. Downey it was brought in only for the purpose of exchanging bills for bills. This whole slip of paper, which is an adding machine tape with a lot of figures on it, totaling \$9,933.61, was the total of my transactions with the Milwaukee National Bank on this particular occasion, checks and cash and everything.

Q. Now then, on August 31st, which is seven days later, there seems to be \$1700.00 of currency. Is it likewise your recollection that that was money brought in by one of—was money to be exchanged for new money?

A. Well, I assume most of it was. We very seldom sent

cash down to the bank, just on very rare occasions. When we would order too much money, we would take whatever surplus we have and send that back to the bank, which is very seldom.

I had a lot of money out there at my exchange to cash those checks when they came in. I had to have on hand three or four or five thousand dollars. That was brought to me by the armoured express. I had to have about \$5,000 a day for my regular business. I would often have an overplus of money, so that I would want to send it back to the bank at the close of the day's business. If I had an overplus of money it would appear on these as currency taken back in deposits. I could not tell the difference between my currency I was sending back and Mr. Sommer's currency

I was sending to the bank to be changed, as far as 674 these slips are concerned. The \$3,000 of the \$5,000 might have been his and \$2,000 mine but, as I say, we very seldom sent money down to the bank, but sometimes we did. This might have been one of the times. I wouldn't say that every time currency appears on one of these deposit slips that it was Mr. Sommers or Mr. Downey's currency. If Mr. Downey or Mr. Sommers or some one else brought in the \$1,000 shown on February 26, 1937, that was just exchange, and so with all of this money.

I didn't add up the amount of checks that appeared on the June 1936 sheets, which is Government's Exhibit X-139. I don't know the total of the June, 1936 business that Mr. Sommers did in my exchange. I didn't add up the total of any of those months that the Government asked me about.

I think I did say something to Mr. Sommers about his recommending my exchange to some of his friends who would also have similar business. I told him that if he knew of any other people who handled any other gambling places I would give him the same rates. That was ten cents less than the regular rate. If I remember correctly, I think he told me that he would speak to a few of his friends. I was aware that I was serving a gambling house when I cashed checks for Mr. Sommers' business up at Kedzie and Lawrence. I have never been up there. All I know about the place is what Mr. Sommers or some one else told me. That was common knowledge around the street that the Horse Shoe was a gambling establishment — hearsay. I have never been in the place. I never asked Mr. Sommers where those checks came from. I don't know

whether the checks came from his gambling casino or whether they were checks that were cashed in his restaurant down below, or whether they were checks cashed by him in accommodation for the grocer, butcher and candle stick maker up and down the street there. I don't know
675 anything about that. All I was interested in was that

Mr. Sommers would guarantee that the checks would be paid which were presented for payment, and he made good any checks that bounced back.

After he had been doing business with me a month he brought in Mr. Downey and introduced him. He did not tell me that Mr. Downey was working for James Hartigan at the time. I don't know Mr. Hartigan. If Mr. Hartigan had come in there for checks to be cashed I would have required some introduction or identification. I didn't know Mr. Downey prior to Mr. Sommers introducing him. I don't remember whether Mr. Sommers told me he was an employee of Mr. Hartigan's or not. Mr. Sommers did not tell me that Mr. Hartigan was the operator of the Lincoln Tavern. He did not tell me who was running it.

Q. Now, you say that you understood that L. T. written on the back of a check meant that it came from the Lincoln Tavern. Where did you get that understanding?

A. Well, I just—the initial of the Lincoln Tavern, the initials are L. T.

I have never been out to the Lincoln Tavern. It was common knowledge that it was a gambling house. Everybody seems to have known that. I mean that some people knew that Lincoln Tavern was a gambling house. I don't know if the police and all knew it. When these checks came in with L. T. on it they were always brought in by Mr. Downey. Mr. Sommers did not bring in any checks marked L. T. on the back. I understood the checks marked D. D. to be Division and Dearborn. I did not know what was up there. I have never been in that building at Division and Dearborn. I just assumed that that was a gambling house up there. On the back of the check would be D. D., and then dash, and then the initials M. D. I knew that the M. D. was for Maurice Downey. That identified for me the man who brought the check in and cashed it.

676 Q. And how did you find out that D. D. meant Division and Dearborn?

A. I don't know whether Mr. Downey—or Mr. Downey may have said so. I don't recollect that, but—

I just took it the initials meant Division and Dearborn.

Whether that was a club or not I didn't know, whether it was Division and Dearborn Club or not. I don't think the Government Attorneys pointed out to me that D. & D. stood for Division and Dearborn, but they asked me what D. & D. meant. I believe I told them Division and Dearborn. They talked to me a few times about this case. They have had these sheets of mine since March or April. I don't believe I went through the records with them, not before the Grand Jury.

Mr. Sommers came in once in a while with checks after Mr. Downey started bringing them in. Mr. Downey usually came around with the checks a little after twelve, noon. I had an understanding that they were to be there at that time. I would not get the money at the bank and deliver it the next morning. We had an afternoon shipment. That is why we asked them to bring the checks in around noon time. That would give us about an hour and fifteen minutes in which to get the checks and make the deposit. Then the armored car would make a delivery with the cash so that we could get it into the clearing house that night. That was the understanding with Mr. Sommers, so that they could be promptly put through the bank and get them cashed promptly. I believe I suggested to him that he would make it a little faster there if he brought them in at noon time and I could get them out—it would go out the same day. I gave him the cash the same afternoon. The truck would go down with the checks and come back with the cash on a round trip. Mr. Downey brought in checks, as I remember it now, with those three sets of initials, L. T., H. S. and D. D., plus his initials, M. D. He

did not tell me that he was bringing in the checks 677 that had "H. S." on it for Mr. Hartigan for Harlem Stables. I think he mentioned Mr. Kelly's name when he was bringing the checks down from Division and Dearborn.

Q. He mentioned Mr. Kelly. Did he tell you that, that is, did Mr. Downey tell you that he, Mr. Downey, had a brother that worked up at Mr. Kelly's place, and brought the checks down to him and that he in turn brought them down to the exchange?

A. Yes. He had a brother. I don't know where he worked, but I know he had a brother.

He spoke to me about his brother working at one of these gambling houses. I believe I saw Mr. Kelly once. That is the Mr. Kelly here in the courtroom. I saw his

picture in the paper, so I could pick him out. I think he came in once to get change for a bill.

I never saw Mr. Creighton, so far as I know. I never saw Mr. Wait so far as I know. I never saw Mr. Mackay. I never saw Mr. Hartigan. I don't know Mr. Flanagan. I don't know Mr. Bill Johnson either. I never have been in any of these gambling houses.

All I know is that the Harlem Stables is just a name. I didn't even know where it is. I don't know where the Lincoln Tavern is. I never heard of the Southland Club or the Northland Club, the Select Club, the Harlem Club, 460, or the 4020, the Club Western, the Mayfair Club—I don't know what those are. I never heard of their general reputation as gambling houses. I don't know anything about the Villa Moderne. I had been at the Bon Air. I don't know whether it was a gambling house or not. We just went there for the evening and had dinner and enjoyed the floor show. It was a countryside club inn, a rather expensive one. It was a high class show. My wife was with me and my brother-in-law and his wife. I don't remember—we went out there about two years ago. I have

more than one currency exchange. I have six—they
678 are all around the Northwest side. That was not true
of 1936. I had two in June, 1936. I opened the others
in 1937. I had six for the past year. I believe I had five
at the time Mr. Sommers ceased to do business with me,
some time in 1938.

I circulated from one exchange to the other of these five exchanges. I would not spend very much time at each one of them each day. The hours of my exchanges are from nine A. M. to 6 P. M., continuously open during the noon hour. I would not spend over a couple of hours or an hour and a half at most at each one. I had from one to two employees in each one of these exchanges. I did rotate them around occasionally. Just four of my employees served the Albany Park Exchange during the period of two years we have been talking about, with these exhibits. I have named the four besides myself. I don't believe I made any entries on the book.

Mr. Sommers did not want his checks cashed in hundred dollar bills every time he came in. He would get all this new money in smaller bills, ones, fives, tens and twenties. He called it working money.

When Mr. Downey came in he would bring in these checks in an envelope and if he brought in a batch of

checks he would bring them in in an envelope, and on the outside he would have marked "L. T.". I just assumed that was the Lincoln Tavern because I heard of that as a gambling house. He would have marked on the outside of another envelope, "D. D." I assumed that was Division and Dearborn.

I knew Jack Sommers a long time before I began doing banking business with him. I did not know him personally, I heard of him I would say about twenty years. I knew him by general reputation in the neighborhood. I knew that he operated this gambling house over on Kedzie. I knew he ran a restaurant there prior to that. I

don't remember that he used to run the Anchor Sand-679 wich Shop—I don't know the name of it. I know him in the neighborhood, as a man of some substance.

Occasionally Mr. Sommers would O. K. a check and the party would come in and I would cash it on his recommendation and then when that happened I would enter on a little sheet here, "J. S.", to show who O. K.'d the check, so that these two sheets of checks were people that Mr. Sommers accommodated by initialing the check, and I would cash it. He would call me up and tell me he was sending over someone to cash a check. There is only one entry on this whole batch of papers, marked X-165, which was August, 1938, which contains the initials over here in this column, "J. S." That is the check issued by the Keystone Motors. It is issued to Mr. M. Gershman. I didn't know him. That is for \$20.00. That is probably one of those checks that Mr. Sommers initialed and sent over to accommodate this man.

This is no batch of gambling checks, not where they just come one at a time. I know the Keystone Motor is a concern there at Kedzie and Lawrence, one of Mr. Sommers' neighbors. I don't know that Mr. Gershman is the barber there in the same neighborhood.

Redirect Examination by Mr. Miller.

I testified that Mr. Sommers would sometimes O. K. a check for some third person that came in and cashed it at my exchange. That happened several times—I don't know how often—on an average of maybe once a week or twice a week. He would send a man in there occasionally with his signature on there. I don't remember how often that happened. I couldn't tell, off-hand, how many times from

June, '36 until July of 1938. I would record such a transaction on these sheets. If a man came in in the morning it would appear as an individual item, or if it happened to come in at the same time as Mr. Downey came in 680 it would appear all together. I don't recollect whether anyone came in at the same time that Mr. Downey did or not. Most of the checks that I cashed for Mr. Sommers were brought in either by Mr. Sommers or Mr. Downey. They bore the symbol, "D. D.", "L. T.", K. L., and so forth. I always recorded those checks on these sheets—not all of them, as I said before if he came in late we didn't get a chance to enter the checks but it would appear on the deposit slip. In that event I would enter them on the deposit slip attached to our original deposit slip. No one else's checks were ever included, only on the deposit slip.

Mr. Downey did bring in checks marked "K. L." Once in a while Mr. Sommers would come in with checks after Mr. Downey, on the same day. If Mr. Sommers came in after Mr. Downey it would just be maybe to pay a light bill or get a money order or something like that. It would not be for the purpose of bringing in checks to be cashed.

Mr. Sommers made the reservations for me to go out to the Bon Air.

Checks brought in by either Sommers or Mr. Downey were returned unpaid by the bank. Mr. Sommers paid them if it was on K. L. He would bring the money in, and if it was on the other clubs, why, we would deduct it from the checks that they would bring in that afternoon. I did not follow the practice of deducting it from the checks marked "K. L." because I had Mr. Sommers' telephone number—that is all.

I did talk to Mr. Sommers over the 'phone about checks returned, marked "D. D.", "L. T.", or "H. S.". I think occasionally he would say he would contact, and let them know about it.

Q. Let who know about it?

A. Well,—whoever—Division and Dearborn—he said he would call them and tell Mr. Kelly about it.

681 Then when Mr. Downey came in I would deduct the amount of the checks.

I talked to defendant Jack Sommers about the checks that were returned and marked "L. T." He said he would make a call for me and see that it is taken care of. Then when they came in there either with the cash or I would

deduct it from the checks. Downey came in most of the time. Mr. Sommers did not bring any cash in on those occasions.

If any checks marked "H. S." were returned we followed the same procedure. I would call up the defendant, Jack Sommers, at the Horse Shoe Restaurant, about them. That is the only place I would ever call him. I felt that as long as Sommers recommended them to me that he practically guaranteed them, and that is why I would call him. He as much as said that he would guarantee every one of them.

I can not identify on these deposits of currency to my bank account which items would be classified as surplus of my currency deposit. We had a surplus of our own currency whenever we ordered enough for a pay day and the pay day eventually was postponed. That surplus would be \$1,500 or \$2,000. That happened because the police did not get their pay regularly at that time, and we did not know when to expect their pay days. The police were paid twice a month.

We handled the Chicago Rapid Transit payroll and they were paid twice a month. On those occasions we might have a surplus of cash. The policemen and the Chicago Rapid Transit employees were not paid on the same day. We did not handle any other payrolls. The Chicago Rapid Transit employees were paid on the 7th and 22nd. The policemen were paid on the 1st and the 16th. We would deposit in the afternoon of the same day cash representing a surplus. I can't tell you how many times a

surplus of our own currency or deposit was re-deposited in our bank account during the period from 1936 to June, 1938. I imagine about maybe three times a month or something like that. That would be the most it would happen. I did order currency from the Milwaukee Avenue National Bank every day. I didn't get currency during this period from any other bank. We would call the night before for the morning shipment and around 12:15 for the afternoon shipment.

In ordering the currency we would tell the bank the denominations of the bills that we wanted. From June, 1936 to July, 1938, we ordered \$100.00 bills almost every day. We had a number of transactions from Mr. Sommers such as is shown on the sheet dated May 9, 1938, out of Government's Exhibit 191, showing a currency deposit of

\$5,000.00. If Mr. Sommers brought in \$5,000.00 we would return fives, tens, twenties and hundred dollar bills.

Q. What proportion of a deposit of \$5,000.00 would be in hundred dollar bills?

Mr. Thompson: Objected to.

The Court: He may answer, if he knows.

The Witness: I should say about \$2,500.00 would be in fives, tens and twenties, and the other balance would be \$100.00 bills.

Mr. Miller: I offer at this time GOVERNMENT'S EXHIBITS X-139 to 164, inclusive, covering the period from June, 1936 to July, 1938, inclusive.

Mr. Thompson: If the Court please, we desire to object to these documents and to present our arguments in support of our objections.

(Whereupon the Jury recessed and the following proceedings were had in the court room, outside the presence and hearing of the jury, to-wit:)

Mr. Thompson: We object to the exhibits just 683 offered, on behalf of the defendant Johnson, on the ground that there is no proof whatever of any connection between the defendant Johnson and any of the transactions reflected on these exhibits and they are as to him purely hearsay.

We object on behalf of the defendants other than the defendant Sommers on the ground that they are hearsay to them.

Specifically we object on behalf of the defendants Flanagan and Mackay on the ground that they have no connection directly or indirectly with any of these transactions as far as the evidence shows.

We object on behalf of the defendant Creighton because the times when his checks were cashed, as reflected by these exhibits, was very casual, and there is no conversation, or otherwise, which in any way connects the defendant Creighton with any transactions at this exchange.

As to the defendants Kelly and Hartigan, their only connection, if any, is the proof of their proprietorship or connection with the gambling houses indicated by the initials D. D. and L. T., and H. S., which were the houses for which Mr. Downey, apparently, was bringing in checks to be cashed.

More particularly, and fundamentally, and the point we want to argue, is that these sheets of paper, and these

transactions recorded by the sheets of paper with this gentleman in his currency exchanges, does not prove or tend to prove the income of the defendant Johnson. It does not even prove or tend to prove the income of the defendant Sommers, who had direct transactions with the witness.

It shows, according to the witness' testimony, only the normal currency exchange transactions. In large volume, to be sure, but no indication that it represented income or that it represented profits or gains, in any sense of the word, to any of these defendants, and certainly not the defendant Johnson.

684 The only connection Brown could have with this is the fact that he was a rival in business. Of course, it is in no way connected with Brown.

Mr. Wait, I omitted to mention. There is certainly no connection with him and is purely hearsay as to him. (Here follows argument of counsel.)

Mr. Thompson: It has been suggested that I move to strike all of the evidence of this witness as being immaterial to the issues, and as having the same defects as to materiality and competency as the exhibits which are offered.

The Court: The objection will be overruled, and the motion to strike will be denied.

(Thereupon said documents, marked GOVERNMENT'S EXHIBITS X-139 to X-164, inclusive, were received in evidence.)

JOSEPH DUBIEL, being duly sworn, testified as follows:

Direct Examination by Mr. Miller.

I have been loan and discount teller at the Milwaukee Avenue Bank for the past three years. Prior to that I was paying teller for the same organization. I have been employed in that bank six years. As paying teller of the Milwaukee Avenue Bank I took in deposits and paid out currency against those deposits. I had occasion, from 1936 to 1937, for about eight months, to handle the account of the Albany Park Deposit and Exchange Company when I was in the payer's cage. I know Mr. Irwin Marcus. He operated the Albany Park Currency Exchange. I had some business transactions with him. I took his deposits in and

then he would give an order for currency and I would bill it and pay him out. He gave me currency orders every day. Occasionally he would mention the denominations of the bills that he wanted.

Q. What denominations of bills would he order?

Mr. Thompson: I object as immaterial; hearsay as to these defendants.

The Court: Overruled.

The Witness: He would order tens, fives, singles, silver of course, for his business. Every so often he would order some big bills, \$100.00 denominations. His orders for big bills would amount to six, seven, eight thousand dollars. He would give orders for big bills twice or three times a week.

I have seen Government's Exhibit X-191, for identification, consisting of a large batch of sheets, before. They are the Albany Park Currency Exchange Deposit tickets, made out at various times, and they are part of the permanent records of the Milwaukee Avenue Bank. They are kept under my supervision and control, in the usual and ordinary course of our business. It is customary in our business to keep such records.

Mr. Miller: At this time I will offer GOVERNMENT'S EXHIBIT X-191 in evidence.

Cross-Examination by Mr. Thompson.

At the present time I am the loan and discount teller. I was paying teller during June, 1936. I was promoted in February or April of 1937. All I know about the paying teller's transactions represented by these deposit slips is what occurred from June, 1936 to February or March or April, 1937. I stated these documents were kept under my supervision and control. I am Chief Clerk there and head teller. I don't keep the books. At the time I was paying teller all I did was cash checks and pay out currency. I

never did keep control of these deposit slips. The cashier is the head executive of the bank. He is the man that directs the department as well as the teller's department. My duties were confined to the paying teller's job up until the early part of 1937 and after that my duties were confined to a note teller's job. I might have referred to those deposit slips every so often from the time I handled them on the day of its date until the Government showed it to me here. I would have referred to them probably if

I was in the proof department at certain days, I would check deposits, too, at the end of the day's business, to help out in the proof department to prove whether the bank was going to balance that day. I would not be there every day. The days I would check the deposit slips would be at the end of the banking day. I would never look at them—they went from my window through the routine of the bank to the accounting department. I don't do all the work with them, but I still have authority with the filing clerk on all of those to keep the record straight. I am the superior of whoever files those away. The cashier does not do all the detail work. He passes some down to other junior officers and tellers. I have never been an officer of that bank. What I mean is that I do my job with respect to those deposit slips and then I pass them on through the routine of the bank to the other departments. I never make any records of these slips myself. They are filed at the end of the day by the filing clerk, when everybody is through. I don't have supervision of the filing clerk nor in her filing.

I handled as paying teller the slips dated prior to February or March, 1937. I did not handle any after I ceased being paying teller. Anything after that was handled by my successor. I know nothing about those transactions. I probably never saw the deposit slips after I ceased to be note teller.

Mr. Thompson: If the Court please, we object, first on the ground that there must be 200 separate pieces of paper here and that all of them are under one number, Government's Exhibit X-191, which happens to be on the top one dated July 24th, 1936; and none of the great mass following that are marked at all.

We also object on the ground that there is no proper foundation laid for the receipt of the documents. They are hearsay as to all of these defendants, and particularly the Defendant Johnson, and others in no way connected with these transactions. They are immaterial to the issues of the case and tend in no way to prove the income of the Defendant Johnson, or any agreement or conspiracy to evade payment of taxes on taxable income of the Defendant Johnson.

The Court: All of the objections will be overruled except the first one. You may number the sheets, X-191, A, B, C, etc., until you have exhausted the alphabet, and then start AA, BB, and so on.

Mr. Thompson: We want to add that same objection to

all that bunch of stuff that was handed in just before the recess. There are no numbers on anything but the first sheet; and furthermore, the proper foundation was not laid for the reception of those documents.

We make that separate objection to X-139, and then separately to those that follow.

Mr. Hurley: These, your Honor, are split up by months and numbered, and showing on the face number of sheets comprised in that exhibit.

The Court: Objection will be overruled.

ALFRED P. ERDMAN, being duly sworn, testified as follows:

I have been a bank teller for the Northern Trust Company since 1932. I worked in the commercial department of the bank. My duties, in a general way, are receiving deposits and paying checks for individuals.

I know the defendant Jack Sommers since, I should say, about the middle part of 1934. I met him through another account that was in the bank. Mr. Roy Love introduced Mr. Sommers to me, I imagine about the same time, around '34. It was through the account of Mr. Barnes that was in there previous that I was introduced to these men. Somehow or other Mr. Barnes evidently sold out, I guess—I don't know how they came in contact with it. Mr. Sommers came in after that, I imagine about every other day or so—maybe not quite that often. I did transact business with him. The nature of the business was to cash checks and returning cash for them. I imagine I did have some business transactions during the year 1936 with the defendant Sommers—I am not sure. I don't recall whether I did anything in '36.

Government's Exhibit X-171, for identification, consisting of 33 sheets, bound together, are my sheets, and I have seen those. They are the recapitulation sheets of the day's work. This full sheet covers one day. They cover the days from January 2nd, 1936 to March 30, 1936. Of course these are not all my sheets here. Most of them are my sheets. I can see that. Mr. Johnson's sheets, another teller in the same unit with me, are included. He works in the same cage with me.

I have seen Government's Exhibit X-170 for identifica-

tion, which covers the period from March 31, 1936 to May 27, 1936.

Q. Describe what you do with these sheets, what is the procedure followed by you with regard to these sheets?

A. Well, those are checks that are cashed. We list the items by machine, each individual item. We keep the endorsements of the City check, of the checks in the vicinity of Chicago, Illinois. Then we have what you call transit items, that are placed in a separate column, that are 689 also kept with endorsements.

You will see on the top heading it says: "Items, City checks," which means checks in Chicago. The names of the endorsers are on these sheets. These are all the endorsements here, each individual item—other than the sheets kept by Mr. Johnson these sheets in Government's Exhibits X-170, 171, are mine. They are entered in my handwriting. These sheets are kept by me in the usual and ordinary course of our business. That is one side of the sheet is made up. It is usual and customary in our business to keep such records.

Government's Exhibits X-170 and X-171 for identification, contain a record of checks cashed by me on behalf of the defendant Sommers.

Q. How on these sheets are those transactions designated?

A. We have a list of checks here that we take the first check and list the name of the endorser. Then we draw a straight line from there on down, so that we do not have to write the endorsement again.

That means that so many checks were cashed for Mr. Sommers. I made such a record of all checks brought in to me by Mr. Sommers. That is the way they are kept, like this was. I did nothing else for Mr. Sommers during this time from January of 1936 until May of 1936, except to cash checks for him and give him cash in return. Occasionally he would bring some currency in and would exchange it for new bills. Mr. Sommers did have a bank account at the Northern Trust Company. He did not deposit these checks in the bank account—he cashed most of them over the counter, and those are the checks that are shown on these sheets, Exhibits X-171 and 170. At one time I asked Mr. Sommers if it would not be better to deposit those checks. I imagine it was about six months after the time I met him. I was in my cage and he was outside of the

cage, in the bank. I had a conversation with Mr. Sommers regarding these transactions.

Mr. Miller: Q. What did you say to him and what did he say to you?

Mr. Thompson: I object to that as hearsay as to all the defendants except the defendant Sommers; immaterial to any issue in this case.

The Court: Overruled.

The Witness: I tried to have Mr. Sommers deposit those checks and then have Mr. Sommers draw his checks against them. He mentioned the fact that these checks were cashed by individuals and merchants around in the neighborhood and he didn't wish to have them in his account. That was all that was said about it, as far as I can remember. I don't recall anything further in that conversation.

Q. Didn't Mr. Sommers say that he didn't want to deposit it because he did not want it charged to his income?

A. Well, he mentioned the fact that those checks were cashed for the merchants in and around the vicinity—yes, that is right, he mentioned the fact that they—in other words, it would be charged against his income if it showed that it was his own money.

I see Mr. Sommers in the courtroom (indicating the defendant Sommers).

Cross-Examination by Mr. Hess.

There is nothing on the first page of Exhibit X-170 indicating Jack Sommers. We use both sides of the sheet, so there is two days on each sheet. There is something on sheet two. The amounts of the checks are shown as to each individual. They are not put on there at the time I cash the checks. I run them through a spindle and put them on there at the end of the day. At the end of the day I run them in on a machine and put them on this sheet. The endorser indicates the man who cashes the checks. If the checks are made to currency and a man cashes them we require him to endorse them. I was a receiving and paying teller. The Northern Trust have men who do both receiving and paying. That was my business in 1934. This system of cashing checks for Mr. Sommers without running them through his account was inaugurated in 1934 and these checks in 1936 were just a continuation of the former plan, and that system is employed by me for other people.

We ask our depositors to deposit all their funds and then

draw their own check to draw it out. We don't insist on it. If we know they are perfectly reliable we don't ask them to.

I imagine I had this conversation with Mr. Sommers about depositing some of these checks some time after I met him and he was coming in with these checks. I imagine some time in 1934.

Q. About how long after he started cashing checks?

A. Oh, some times we don't approach them until about six months after, to see how they are running it.

I had a talk with him and tried to induce him to deposit these checks in his account and then draw his checks against that account for such currency or other items as he wished, rather than cash his checks. At that time I learned to observe the kind of checks he was bringing in for cashing, and I had conversations with Mr. Sommers on that subject, and he told me that a lot of these checks that he cashed were checks for neighborhood people around in his community. The subject of the conversation was that he had no interest in the funds that were in those checks and he just didn't want them showing in a bank account against him. That conversation I have just related I believe was in 1934—it is pretty hard for me to remember just exactly when, and 692 then I kept on operating in the same method, right through 1936, and nothing else was done about it.

Mr. Hess: I move to strike his testimony, your Honor, on the ground that it does not prove or tend to prove a net taxable income of Jack Sommers, and, of course, furthermore, none of Mr. Johnson.

The Court: Motion denied.

693 CHESTER R. JOHNSON, called as a witness on behalf of the Government, having been first duly sworn, was examined and testified as follows:

Direct Examination by Mr. Miller.

My name is Chester R. Johnson. I am paying and receiving teller at the Northern Trust Company Bank. I have been employed in that capacity about six years. I work in the Commercial Department. My duties are to accept deposits and also to pay out money in exchange of checks, exchange of cash, and so forth.

I know the defendant Jack Sommers. I have known him approximately for the past five years. I first met him at

the Northern Trust Company Bank between 1934 and '35. I met him through business and the act of waiting on him at the window. I was introduced to him through the teller Erdman next to me at the time. He is the same Mr. Erdman who was in here as a witness this morning. I cashed checks for Mr. Sommers and I also made exchanges of money. How many checks I can't remember. That would occur approximately twice a week. It might have been more, I just can't recall.

I have seen Government's Exhibits X-170 and X-171 for identification before. They are teller recap sheets.

At the end of the day we listed all our work on these sheets. It is a balance sheet and that is the way we complete our day. We record all the cash we receive in on deposits and also the checks we cash and the endorser's and inter-departmental exchanges. I do not make any record on those sheets of currency exchanged with the customer.

Some of the sheets, Government's Exhibits X-170 and 171 are in my handwriting. They are all in my handwriting except those that Mr. Erdman made. Here is one that Mr.

Frank Jonas made. He is also a teller in the same 694 capacity as I am. He has been at the bank eleven or twelve years. His job is paying and receiving teller, the same as mine.

I know Mr. Jonas' handwriting. That sheet that I refer to bears the date May 7, 1936. I recognize it as Mr. Jonas' handwriting. There is another one of Mr. Jonas, dated the 14th of May, 1936. Here is one dated May 21, 1936. Here is one by a fellow by the name of Easton. He is evidently a relief teller that took the place of Number 5 the day he was off, or something like that. I know him but I do not know his writing. That is because his name is on it.

There is something on the sheets indicating who did them other than the handwriting of the individual. If anybody is off a day somebody else comes in there and takes over the window. They list their name on that, but use the same stamp as the teller that is there all the time. The only thing you can go by is the name on the top of the sheet here.

On the reverse of those sheets is the record for another day. It constitutes two days' work. I do not see any sheets other than by Mr. Jonas, Mr. Erdman and me.

Government's Exhibits X-170 and 171 are part of the permanent records of our bank. They are made in the usual

and ordinary course of business. It is customary in our business to keep such records.

It is hard to say how often I exchanged money for the defendant Sommers in 1936. As I remember, I think he came into the bank about twice a week and probably once or maybe twice a day. I just can't recall. As far as I can recall he would bring in used fives and tens. I would give him some new fives in return, some new twenties probably, maybe just a few big bills. I don't recall him ever bringing in any old big bills to exchange for new big bills.

There were some of the checks that I cashed for Mr. Sommers returned unpaid. We usually called up Mr. Sommers and he immediately came in and took care of them. We had his number and I can't remember what that was. All that I knew about it was the phone number.

Mr. Miller: I will offer at this time GOVERNMENT'S EXHIBITS X-170 and X-171.

Cross-Examination by Mr. Thompson.

I did not total the amount of checks that were cashed by Mr. Sommers at the Northern Trust Company between March 31st, 1936 and May 27th, 1936 which are indicated on X-170; I couldn't recall how much it involved. I haven't totalled those on X-171 for the later period.

I knew Mr. Sommers approximately a few months before I cashed the first check for him. I think I became acquainted with him in 1934, somewhere in there, latter part of the year, as far as I can recall.

The first check shown here on the teller's balance sheet that I cashed for Mr. Sommers is of the date January 2nd, 1936. If it is on there it must be the first one.

So far as I know, Government's Exhibit X-171 is the first group of checks that I cashed for Mr. Sommers as far as these Sheets are concerned unless there are some previous sheets that I haven't seen. The top sheet was done by Mr. Erdman. I know nothing about this particular transaction.

All of the checks that are shown on these balance sheets under these two numbers, X-170 and X-171, are checks that were cashed over the counter and not put through bank accounts.

At the top of the first sheet dated January 2nd, 1936, Illinois Bell, is the Illinois Bell Telephone Company. That is a pay day for the employees of the Illinois Bell Telephone

Company. I do not mean that that check was endorsed by the Illinois Bell Telephone Company. It is endorsed as a payroll of the Illinois Bell Company. The Illinois Bell 696 on pay days don't require us to be responsible for the endorsers if a check is lost, so that is why we list them as the Illinois Bell. It is quicker at the end of the day and it is usually a busy day when we do that. That is the reason for it.

The blank space below the words "Illinois Bell" indicates that down to the next name those were all Illinois Bell checks. Evidently Mr. Erdman has not drawn a line down there to cover the space. He should have; it means ditto.

There are no other groups of checks on the sheets there that are payroll checks that did not require endorsements. I am positive that that is the only account with a lot of checks that we do that with. I think there are so few of the other checks that we list the endorsements on all of them. There might be an insurance company once in a while that has a pay day and if we happen to get twenty-five or thirty of them we will do the same with them as we did with the Illinois Bell. But that is the only large account that we do that with. The Illinois Bell authorize the bank to cash checks without having the endorsement identified or guaranteed and without holding the bank liable for the genuineness of the endorsement. They do that because their employees usually come in at noon time and they don't have to wait around to have a check O. K.'d, etc.

The long list of checks under date of January 16, 1936, under "A.T.T." is American Telephone and Telegraph. That appears to be a dividend payday for all the employees. I guess that the Illinois Bell owns stock and they get their dividends accordingly.

The same endorsement rule doesn't hold true of the string of checks under Commonwealth Edison Company. Mr. Frankel happens to be the manager over at the Commonwealth Edison Company and he is a customer of the bank and he brought several pay checks with him to be 697 cashed. Mr. Frankel brought all these checks and I noted that he was the guarantor of the endorsements. The one "Harry Smoke," with about half a dozen checks, is Harry Smoke account. He carries his account under that name, I am sure. He brought in a group of checks and cashed them. Those are payroll checks of people coming in his store and cashed at noon on pay day and we cash them for him. The checks for two dollars, five dollars and for

three fifty might be miscellaneous checks. They might be just accommodations to his customers. He is around in the clothing district over there and they might be for a day's work in those clothing factories.

There are two checks under date of February 28th under the name of H. Alcourt, for \$7.00 and \$115.65. The big numbers are the totals of the account up above added to the one below, making a grand total for that volume of checks.

The star opposite the number means the totalling. This other long column of Frankel is the same Mr. Frankel of the Commonwealth Edison Company. I did not hear Mr. Frankel explain that he didn't want these put in his bank account so it wouldn't show as income to him. I never heard him say anything to that effect. He made no explanation about it at all.

I didn't particularly notice in looking through this bunch of balance sheets that there are many days where the sheets are in my handwriting where I cashed no checks at all for Mr. Sommers. I know there were days when I didn't.

Mr. Thompson: We object to the exhibits, Your Honor, on the ground that they are hearsay as to all of these defendants, excepting the defendant Sommers, possibly, and that they are altogether immaterial; contain no proof, directly or indirectly, to the amount of taxable income of the defendant Johnson, or any action on his part, or anyone acting for him, to conceal his taxable income.

698 The Court: Objection overruled.

(Whereupon said documents, marked GOVERNMENT'S EXHIBITS X-170 and X-171, were received in evidence.)

ROBERT DAVID SNODDY, being duly sworn, testified as follows:

Direct Examination by Mr. Miller.

I operate the Washington Park Currency Exchange. That is located at 6236 Cottage Grove Avenue. I have been in that business eight years; at that location since March 1, 1937. Prior to that my business was located at 806 East 63rd and 6305 Cottage Grove.

I have known the defendant Andrew J. Creighton, about three years. I think I first met him in 1938. I have known

him around the corner, but he came in with his business I think in 1938. I can't state definitely when; along in the summer some time. Nobody else was present at that time.

I had a conversation with Creighton at that time. He asked me to cash checks for him; said he had them two or three times a week. I said I didn't care to handle them; it involved too much money.

Mr. Miller: Q. What else was said at that time?

Mr. Thompson: We object to all of this conversation, Your Honor. It is not binding on the defendant Johnson, or any of these other defendants; it is hearsay as to them; in no way tending to prove the issues in this case.

The Court: Overruled.

The Witness: That is all that was said in that conversation. He left the building. That was the end of it for the time being. I did know what business he was in at that 699 time. He has been around the corner for a long time.

I just knew from conversations with others the business he was in. I never had a conversation with Creighton about what business he was in. He asked me if I knew what business he was in. I said, "Yes." That is all the conversation I had about that subject. I did not cash any checks for Creighton at that time.

I next saw the defendant Creighton about five or six months later at my place of business. I had a conversation with him at that time. I think it was about June or July, 1939. No one else was present.

Q. Just what did he say to you and what did you say to him?

Mr. Thompson: We object to that as hearsay as to the defendant Johnson and all of the other defendants; immaterial.

The Court: Overruled.

The Witness: He asked me if I had changed my mind. I said I didn't know. He said he would see me in two or three days. He mentioned another gentleman that had handled checks before. I said I would check up and let him know in a couple of days. I said as long as he didn't bring in too many checks at one time. He came back a couple of days later and I said it would be all right to cash a small number of checks for the time being and I cashed a few that same day.

I did thereafter cash checks for Mr. Creighton. He would come into my place to cash checks at irregular in-

tervals. Some times I wouldn't see him for a couple of weeks and some times he came in two or three times a week. A few of the checks that I cashed for Mr. Creighton were returned unpaid. I would call him at the Club Southland and he would bring the money over to me. I think I sent one check over to him and he paid it at the club. I was in the club; I saw Mr. Creighton there. It is up on the second floor of a large building. Going into one 700 room, at the end of this room is a small room, about six feet square. They let you in there and look you over, frisk you, then let you into the big room. I saw several cages, a blackboard on the wall, several cashiers' cages and men standing around in the big room. Mr. Creighton was there on the floor walking around. I didn't see him do anything in particular; supervising things.

Mr. Creighton would send checks over to me by one of his boys. The one I knew by name was Fred Gitzen. He used to bring checks over to me. Some times he would come in after change, or brought change into me. Mr. Creighton said he would send him over with the checks. Mr. Creighton did not introduce him to me; I knew him before that. I do not know what his job was. As far as I know he worked for Mr. Creighton.

In the course of my business transactions with Mr. Creighton, I occasionally would furnish him with change; some times he would bring change to me. I would give him currency for it. I didn't cash any large amount of checks for him until late in 1939. I think previous to that he would occasionally bring in the check of some customer and would endorse the check and I would cash it, just one or two odd checks, you might say over a period of eighteen months. I would say beginning about June 1938 and ended in November or December, in '39. To the best of my knowledge, from looking over the records, the volume of checks I cashed for Mr. Creighton during that period must be about forty-five or fifty thousand.

Mr. Creighton generally liked to have large bills in exchange for those checks, hundred dollar bills; some times twenties.

I do not recall Mr. Creighton ever bringing in any \$100 bills to be exchanged for new \$100 bills. I see him here in the court room (indicating the defendant Creighton).
701 Mr. Callaghan: We move to strike the testimony of this witness as to 1939; it is not contained in the bill of particulars—any reference to the defendant Creighton.

The Court: Motion denied.

Cross-Examination by Mr. Thompson.

Mr. Creighton brought in \$100 bills to be changed for twenties, tens and fives maybe a few times. He brought in old money to be changed for new money occasionally. Mostly fives, tens and twenties. I do not have any record showing these transactions with Mr. Creighton. I do of the check transactions. The Government has the records showing the check transactions. I saw them about ten days ago.

I did not add up on this record the number of checks I cashed for Mr. Creighton. Nobody added those up. I have a pretty good idea of the money checks I cashed. I think I possibly cashed two hundred or two hundred and fifty checks. I just can't recall how many of these were cashed in 1938. Just a few. All the rest of them were cashed in the second half of 1939, beginning about August or September, and continuing up to around November '39 I think.

I knew that Mr. Creighton was proprietor of this Club Southland. To my knowledge he operated the Club Southland two or three years before he did any business with me. I had not been up to his place of business before he came into my place to see me. I know that he operated other gambling houses out on the South and Southwest sides. He had one or two others I understand.

I knew he changed operations from 63rd and Cottage Grove to the south side, outside of the city limits, at certain times. At certain times the Club Southland would not be operating and then he would be operating the Club 702 Western or somewhere outside of the city limits.

He did not bring any checks in to me during the period when the Club Southland was not operating. I think the Club Southland was operating during this time when he cashed the checks with me. The checks I cashed for Mr. Creighton in 1938 were just a few single checks that he endorsed, of customers; I would say not over a thousand dollars possibly. I do not think they would aggregate more than a thousand in 1938. He would occasionally send a customer, with his endorsement on the back of the check, over to get currency. There were a few cases like that in '38. I do not recall who these customers were. I do not recall any other cases in 1938 other than those where the customers came over themselves. Whatever transactions I had with Mr. Creighton in 1938 were casual transactions.

I began to cash checks for him in quantity about September or October, 1939, and during those two or three months,

in the latter part of 1939, I had some two hundred or so transactions with him.

I arrived at this aggregate of the amount of business in dollars by looking at my records in a rather hasty manner, and also I had a general idea of how many checks I cashed for him. I have some idea it would be around forty or fifty thousand. I think the forty or fifty thousand is the aggregate in that two or three months.

My records show the names of the makers of these checks. Most of the checks are made out to cash. It would not show Mr. Creighton as the endorser of the checks. I have a particular stamp I put on the back of each check I cashed for him. That is, after I made this arrangement with him in the middle of 1939. I had some stamps made which I used to indicate I was cashing checks for Mr. Creighton, and if the check bounced for any reason Mr. Creighton took care of it.

703 My records have not been returned to me. I have not seen them for two weeks. I think when I did see them they were in the same condition as when I delivered them. I have a receipt for them. The records have been down here for about two or three months. I didn't examine them two weeks ago. I saw them. Mr. Miller had them. I didn't add them up two weeks ago. I didn't add them up three months ago. In fact I never did add them up. I just used my best idea of what those aggregate and that is from the recollection I have.

It was seldom that anybody worked in my place of business except me. I have a girl that comes in maybe once or twice a week. I operate the business alone otherwise. I have a half interest in another place.

I do my banking at the South East National Bank.

I do not know any of the rest of the defendants.

I think I have related all the conversations I had with Mr. Creighton respecting this business.

Mr. Thompson: We move to strike the testimony as immaterial and tending in no way to prove any of the issues in this case. It is hearsay to all the other defendants, except the Defendant Creighton.

The Court: Denied.

Mr. Thompson: I also move to strike it out on the ground of his uncertainty and the failure of the Government to produce documentary proof in addition. It is secondary proof of what appears on the documents and not the best evidence.

The Court: Denied.

WALTER MOGENSEN, being duly sworn, testified as follows:

Direct Examination by Mr. Miller.

704 I have been paying teller at the Mid-City National Bank, for fifteen years. My duties as paying teller at the Mid-City Bank are cashing and certifying checks. That takes it all in.

I know the defendant Andrew J. Creighton. I don't know how long I have known him. About '36 or so, when he opened up the account. I became acquainted with the defendant Creighton when he opened up an account. He was introduced to me by the official who opened the account. After I met him in that way I may have waited on him probably two or three times. That is about all I seen him, I guess. I cashed checks for him on those occasions. I used to cash checks for one of his employees. One was Al Caylor, and another one by the name of Fred. I forget his last name; I heard it. I met these employees of Mr. Creighton's in the bank. Mr. Creighton introduced Al Caylor and Al introduced Fred to me also. I can't tell exactly how often these employees of Mr. Creighton's came into the bank, but I imagine, as good as I can remember, would be probably two to six times a week. I would just cash checks for them. The checks that were brought in were endorsed by A. J. Creighton. I know his signature.

I have seen Government's Exhibit X-192 for identification before. It is A. J. Creighton's signature card. This is the only thing we have to go by in cashing checks. When a customer has an account a check must be endorsed by the customer that has the account.

These checks that were brought in by Mr. Creighton and his employees did bear the endorsement of Mr. Creighton.

The money that I would give Mr. Creighton or his
705 employees in exchange for the checks that were brought in would vary. Sometimes it was fives and tens. Then again it may be big bills, and sometimes he would not cash any checks at all. He would just bring in currency. He may bring in small bills and exchange them for big bills, or he may bring in big bills and exchange them for small bills. If I remember correctly, the big bills usually ran around one hundred dollars.

Mr. Miller: I will offer at this time Government's Exhibit X-192.

Mr. Thompson: We have no objection to 192, as far as it being Mr. Creighton's card. We object to it as immaterial. It does not prove anything, and hearsay as to everybody else, certainly.

The Court: It may be received.

(Which said document so offered and received in evidence was marked GOVERNMENT'S EXHIBIT X-192.)

No cross examination.

WALTER SCHULTZ, being sworn, testified as follows:

Direct Examination by Mr. Miller.

I have been cashier of the Mid-City National Bank since 1933. My duties are to supervise all of the operations of the bank and to have custody of all of the assets of the bank.

I know the defendant Andrew J. Creighton. I have known him between ten and fifteen years. I first became acquainted with him as being a customer of the bank. He was not a customer during that entire time. He had more than one account at the bank at different times. The last period through which he was a customer at the bank 706 was from 1935 to 1938. I had no occasion personally to transact any business with Mr. Creighton during that period, none other than to open his account.

Government's Exhibit X-192 was made out by me at the time this account was opened last. It bears the signature of the defendant Creighton. It is one of my duties as cashier of this bank to supervise and keep control of the records of the bank. I keep records of checks cashed at our bank.

We make a photograph of all checks cashed over the counter through any of the paying tellers' windows, checks that are not drawn on our own bank. After the paying teller has cashed the check, he lists those checks on a sheet, what we call a teller sheet. And those checks are delivered to what we call a draft department.

It is the duty of the draft department to also make a list of those checks to see that they agree, and then they run the checks through a photographic machine and take

a picture of both the face and the back of each check. Then those films are sent to the Recordak people and they develop the films and return them to us for our files.

They become a permanent part of the records of our bank. If a film is to be examined, we have a little projecting machine that the film is placed in and the film is put on a spool and it is lit up and then there is a white plate in the bottom of this machine. And that throws a reflection of the check right on that white plate. You can see all of the writing of each and every check that is run through.

I have seen before this pile of boxes that is down in front of me. Government's Exhibits X-186 to 190, inclusive, are rolls of films from various dates, as were in the records of the bank, and which were subpoenaed to be presented at this trial. They are in the same condition now

that they were when they left the bank. They are of 707 various dates, from October 26, 1936, until August

15th, 1938. They are part of the permanent records of our bank and the records made by us in the usual and ordinary course of our business. They are made under my supervision and control.

I would say that every bank that I know of does keep such a record.

Mr. Miller: At this time I will offer Government's Exhibits X-186 to 190, inclusive.

Cross-Examination by Mr. Thompson.

All other banks that I know of keep these kind of records. I am not sure about the Northern Trust Company. I presume the City National does.

I stated that Exhibit X-186 covers various dates from October 26, 1936 to February 26, 1937. They do not cover all of the transactions of our bank for that period of time. They were subpoenaed by the Government.

I can tell from that little box which says it is a receiving spool for use in the Recordak, which says "Received December 14th, 1936, Signed, Kodak Laboratory," what period is covered by that. It says from "December 11th, '36 to December 14th, 1936."

It is supposed to show that the photographs of checks cashed over the counter at the bank and other out of town checks that are deposited. I have not seen this film that

is in that box run off so that I know what is on it. That would contain a picture of all the checks that went through the bank for that period of time, and these checks are photographed on here in microscopic size. I do not believe you can read one of these without having it magnified. There is probably seven or eight checks to the inch photographed on there side by side. I don't know whose check that first one is up there. I don't know whether there is any of Mr. Creighton's checks on this whole spool.

708 I do know that there is checks of Mr. Creighton's in all this bunch of stuff from the bank morgue, because there was a Government man over looking at those films for two months' time. I watched him look at some of them. I do not know that he took out of the morgue the ones that had pictures of Mr. Creighton's checks on them, but I imagine he did. I knew then what he was out there for.

At the time they were subpoenaed I pulled out the boxes that were subpoenaed. We did not examine them. I did not run off any of these films. I have never seen any of the films run off since they were developed. Only when we have occasion to refer to a check which may be lost or being traced.

I don't know whether any of these checks have been run off in my presence or not since they were exposed and developed, except as I stated a moment ago when the Government agent was over there looking. I watched him and saw him look at some of the films.

The operation at that time was to put the different spools of films on the machine and go through it at length and copy information from the film. He had a record that he kept. I never saw that record.

I don't recall who that Government agent was. I do not see him around here.

I know Mr. Creighton, the gentleman sitting here at the front of the table. I think his first account with our bank was in 1928. I do not know how many checks Mr. Creighton cashed in the period running all the way from October 26, 1936 clear down through August 15, 1938. I know there is more than ten checks in that whole period. I don't know whether there is as many as one on every one of these spools that are in these boxes.

These films are all the same character and size and so

on. I have tested this machine to see whether or not
709 it correctly reproduces the object which is supposed
to be reproduced.

The machine stands just about eighteen inches high and it sets on a desk, or a stand, and the photograph of the check is projected about that distance straight down, and you look down at the check on a white plate that is part of the projecting machine. It isn't thrown on a screen. At least we have never done so. Our film is projected on this white plate which corresponds to a screen. The check reproduced is slightly larger than the normal check size.

I don't know anything about the source of these checks except Mr. Creighton brought them in and cashed them. He had a bank account there at the time. I do not believe these films contain any checks that were deposited in his bank account except in case he deposited any out of town checks. We photograph all out of town checks as well as checks cashed over the counter. Any checks that he cashed other than those drawn on our own bank would be definitely on these films.

The purpose of recording the checks is to protect the bank in case the checks are lost and we have to trace them. It is a simpler method of taking a picture than to write out the name of the maker and the name of the bank and the endorsers and a much more complete record.

Of my own knowledge I don't have any idea how many checks Mr. Creighton cashed there during this period of time. I haven't any idea what the aggregate of the checks cashed by him was.

Mr. Thompson: We object to the offer. It is certainly unintelligible on the present status. Cannot be made intelligible except by the use of a mechanical device, which is not at present available. There is no identification that this great mass of films contains records of transactions of the defendant Creighton. Certainly no identification of

any other defendant with any of these films, or, ex-
710 hibits, offered. The documents are hearsay as to all of the defendants other than the defendant Creighton. The documents are immaterial as to all defendants. Do not prove or even tend to prove the amount of taxable income of the defendant William R. Johnson. Do not prove or tend to prove any concerted action on the part of these defendants, or any two of these defendants, with the object of aiding and abetting the defendant William R. Johnson to

evade the payment of income tax on his taxable income. These large boxes, which are the only ones identified, contain a lot of individual cartons containing in turn what appears to be spools, containing in turn one hundred feet of film that is supposed to record a lot of checks. No proof that there is a check of the defendant Creighton on any of these particular films and certainly no proof that there is one on all of them, each of them. Proper foundation has not been laid for the receipt of the exhibits.

The Court: How do you contemplate making this information available to the jury and the Court?

Mr. Miller: We can produce the machine that will project these films. The easier way would be to produce the agent who made the individual examination of these films and made a memorandum of dates and months and so on of the checks that he found on these films, and make a summary in that manner.

Mr. Hurley: That is the only basis for this offer. If they want to have it available here in the court room and not offer them, we don't care. But it is the basis for summary testimony by an agent as to what Creighton checks show. We can have it either way. It doesn't make any difference to us.

Mr. Thompson: We want to know, Your Honor, whether or not these films can be projected in such a way that each and every defendant can see the testimony produced as each and every juror receives the testimony. Under the Constitution they are entitled to have it all produced in 711 their presence. And in their presence means their conscious presence.

The Court: Well, will you have a projector here?

Mr. Hurley: We can produce one if it is necessary.

Mr. Plunkett: They are available for the defendants in the same way the Government agent examined them.

The Court: I think they ought to be projected.

Mr. Miller: As a practical matter, it took the agent working on this case about two months or over to examine all this film. He sat down with this machine that the witness described and looked at every check and identified the checks that bore the endorsement of A. J. Creighton. That is how he picked the items out. For all practical purposes it would take any other individual, I imagine, just as long a time. But, we can bring the machine, the same type of machine that the witness has described, which will

project this film. If the defendants' counsel want to look at it, why, it is here available for them.

The Court: The objection will be overruled. They may be received on the undertaking to produce that machine, and if the defendants desire to examine the films they may do so during the recesses.

Mr. Thompson: Well, if Your Honor please, we shall insist on our Constitutional rights when the time comes.

(Said instruments, so offered and received in evidence, were thereupon marked GOVERNMENT'S EXHIBITS 186, 187, 188, 189 and 190.)

JOSEPH D. SHELLEY, recalled, having been previously duly sworn, was examined and testified further as follows:

Direct Examination by Mr. Hurley.

I am the same Joseph Shelly that testified before in this case. I am employed by the Chicago Title and Trust Company as Chief Escrow Officer.

712 I have examined Government's Exhibits E-37 and E-38 marked for identification.

Q. I believe you examined those when you were on the stand here some days ago. At that time you went on to explain and said there were certain documents missing. Can you tell us now whether or not there was a transfer as regards those two escrows, 37 and 38?

A. Yes, in Exhibit E-37 the file shows a deposit of \$63,800. In that same file there is a withdrawal ticket for \$3800, drawn against that escrow, marked "Transfer of funds to Escrow 115566," which latter escrow is identified as Government's Exhibit E-38.

In other words, there was a transfer of funds from Exhibit 37 to 38. Those documents are kept under my supervision and control as a part of the records of the Chicago Title and Trust Company, in my capacity as Chief Escrow Officer. They are kept in the usual and ordinary course of business of that company.

Mr. Hurley: I now offer Exhibits E-37 and E-38 in evidence.

Cross-Examination by Mr. Thompson.

These transactions were handled by someone else in the Chicago Title and Trust Company. I have no knowledge of the transactions except such as appears on these documents that I have identified here. I don't know anything except what appears from the record.

According to E-38, the deposit of \$3800 was made by William Goldstein. It doesn't show that he deposited it for anybody else. It doesn't disclose any agency relation. It also shows that there was deposited a letter of direction from William Corran requesting the issuance of a trustee's deed to Abe Zimmerman, conveying certain property. That letter isn't in this envelope. There is nothing in this 713 envelope but an escrow agreement. Exhibit E-37, for identification, contains an escrow agreement, a purported copy of a receipt, a copy of statement of account, a copy of withdrawal memorandum.

The outside of the envelope shows a deposit of \$63,800. The withdrawal memorandum shows \$3800 transferred to E-38. I just looked at it.

This statement shows disbursements made out of a deposit of \$63,800. I made none of those disbursements personally. I believe that the purported copy of receipt is a carbon copy. It shows receipt of \$60,000 from William Goldstein. It does not show on that receipt whether it was currency or check or silver, or what.

The escrow agreement, by direction, dated June 10, 1939, addressed to the Chicago Title and Trust Company, reads as follows:

"You are hereby advised that the nominee in whose name title is to be taken, is Abe Zimmerman."

That purports to be signed by William Goldstein. According to that escrow agreement William Goldstein is the one who deposited the \$60,000. I do not know who Abe Zimmerman is. I do know who William Goldstein is.

Mr. Thompson: We object to these documents. Your Honor, on the ground that they are immaterial; do not prove or tend to prove any of the issues in this case, and that they are hearsay as to all of the defendants in this case, and that there has been no connection, directly or indirectly, by any witness, with any defendant other than the defendant Johnson, and that is only through Goldstein's testimony.

The Court: Overruled.

(Whereupon said documents, marked GOVERNMENT'S EXHIBITS E-37 and E-38, are received in evidence.)

714 Mr. Plunkett: At this time, if the Court please, we would like to read some of these documents, escrow agreements, into evidence.

The Court: Very well.

Mr. Thompson: If the Court please, we object to the reading of all of these documents until such time comes as we are to consider whether or not they have been properly connected up. We propose to present appropriate motions when the appropriate time comes. Certainly these documents are not connected with any of these defendants except possibly one defendant, by the testimony of a witness.

The Court: Overruled.

(Thereupon Mr. Plunkett read from Government's Exhibits E-28-A, E-27-A, E-38-A, E-29-A, E-30-A, E-31-B, E-31-A, E-32-A, E-33-A, E-33-B, E-34-A, E-35-A, and E-36-A.)

715 MR. LOUIS W. TEMPLE, called as a witness in behalf of the Government, having been first duly sworn, was examined and testified as follows:

Direct Examination by Mr. Plunkett.

My name is Louis W. Temple. I live at 5320 N. Sawyer Avenue. I am an official reporter, assigned to the Grand Jury. I am employed directly by Mr. Fitzgerald and indirectly by the District Attorney. I have been a reporter for approximately thirty years. I have experience for reporting proceedings of all kinds and transcribing them. I attended the Metropolitan Business College and worked for the Government following that. Then I attended the court reporting school, The Success Short Hand School, and was employed by the State of Illinois after taking the examination for that.

In my duties as court reporter it is part of my duties to report in shorthand, what is said in my presence, and thereafter to transcribe the same. I spent approximately four years at one period in studying shorthand and I continued to study it.

I had occasion, in the course of my official duties, to be present in the United States grand jury room, specifically on January 10th, January 11th, January 12th, January 19th

and January 24th, 1940. I did report the proceedings had in the Grand Jury room on those days. I have my original notes of the proceedings had on those days with me. The Government's Exhibit, O-211, for identification, contains a transcript of these notes that I took on those days. I have compared them with the typewritten transcript which is an accurate transcript of the notes that I took on those days. I have compared them with the type written transcript which is an accurate transcript of the notes that I took on those days.

I know the defendant, Stuart Solomon Brown. I see him in the courtroom (indicating the defendant, Brown).
716 The transcript that I hold in my hands, Government's Exhibit O-211, for identification, is a transcript of the questions asked and the answers made by the defendant Brown.

Cross-Examination by Mr. Hess.

I did not take any testimony of Mr. Brown on January 10th, at 10:15. The Grand Jurors, and Mr. E. Riley Campbell, Mr. Paul M. Plunkett and Mr. Lawrence Miller, were before the Grand Jury with me when Mr. Brown was interrogated at 1:15 on January 10th. The gentlemen to whom I refer were there as Assistant United States Attorneys. I was there as official reporter. Mr. Brown, the witness, was there. There were no other persons in the room. There was a Deputy Marshal at the door on the outside most of the time. I did not recognize any agents in the grand jury room at the time. I believe all three gentlemen questioned Mr. Brown. I got their names at different points. First one would question and then another. Then some members of the grand jury would question. I don't know the foreman of the grand jury. I have heard the name Binder. I did not attempt to identify any grand juror by name. I don't know what term grand jury that was. I was sworn in on January 10th. I assume it was the January jury.

Q. Was this question asked Mr. Brown on that occasion, by Mr. Campbell: "Well, that does not create the relationship of attorney and client, Mr. Ex-Cashier of the Ogden National Bank?"

A. I would have to go through my entire book to find it. If it is in the transcript it was asked. To pick out one question out of many is difficult.

717 The first time I was before the Grand Jury was on January 11th. It would be in the afternoon. I don't

know the exact time without looking at my records. The same counsel was present at that time and questions were asked the same way. The first question asked that day was: "Your name is Stuart Solomon Brown?" I don't recall all of the subject matter concerning which Mr. Brown was interrogated on January 10th when I was there but as I recall one instance there, there were some documents brought in for him to identify. It was concerning the Lawrence Avenue Currency Exchange. That was the general subject of the testimony the first time I appeared before the Grand Jury. As I remember, approximately, his interrogation was that same subject matter on the 11th, the Lawrence Avenue Currency Exchange, and its way of doing business. The next time I appeared there was January 12th. That would be in the afternoon—I don't know the exact time—somewhere about 1:30. I didn't appear there at 10:15 on that date. I don't recall the general subject matter of his interrogation at that time without refreshing my recollection.

718 I didn't say that I checked this record a few days ago. I checked this record back in March or April, somewhere back there.

I have seen Exhibit O-211 since I checked it in March. I have glanced through it this morning and from glancing through it this morning I didn't refresh my recollection of the subject matter that was being reported by me on January 12th. I know there was some testimony with respect to the burning of records. I recall that he was examined about a trip out of town and about his wife, whether he was living with her and details about certain trips out of Chicago. I recall such testimony going in there. That is in the transcript, Exhibit O-211.

Usually the Assistant United States Attorneys were asking the questions or standing near the witness. The other two gentlemen would be seated. Occasionally they were all standing. I would say that Mr. Brown was being interrogated in a normal voice. I didn't hear any threats. I don't remember any threats by anybody that if he did not testify a certain way that he would be indicted. If they were made the words would be in the transcript. I put everything in my transcript that transpired in connection with the interrogation of Brown on the occasions I have testified. There is no way of reporting the physical attitude of the interrogator, or if the interrogator shook his finger in the face of the witness I would have no way of showing

that. I reported the testimony of Mr. Brown before the Grand Jury on January 10, 1940, from 1:30 in the afternoon until adjournment at four-fifteen. On January 11th I was there approximately the same time, but Mr. Brown was not examined that entire session. On January 10th I was there approximately two hours in the afternoon. On

January 19th I was there for approximately two and a 719 half hours when Mr. Brown was examined for approximately an hour and a half. And on January 24th, although I was there all afternoon he was examined for approximately an hour, maybe less. I have not got the definite time marked down.

Redirect Examination by Mr. Plunkett.

So far as I know there were usually twenty-three persons in the room while these questions were being asked, about which I have been asked on cross examination. They were all present at the time these questions were asked. I believe the Grand Jury asked questions in the examination of that witness.

Government's Exhibit X-196, for identification, was in the grand jury room at the time I was in there. Mr. Brown, who I have been testifying about, identified it and I marked it "Grand Jury Exhibit 18." Government's Exhibit X-195, for identification, was an exhibit in the Grand Jury room, and marked "Grand Jury Exhibit 17" by myself. Mr. Stuart S. Brown identified this exhibit.

Recross Examination by Mr. Hess.

Exhibit 18 was brought in on the afternoon of January 10th, before the Grand Jury. I would say by Mr. Brown because he was on the stand at that time. I would not know if there was any interrogation by Mr. Brown on the subject of that exhibit in that session that day. I was not present. There was a question asked about this exhibit and others to the effect that if he had produced certain books that he was asked to do at a previous session. That was with respect to Exhibits 17, 18 and 19.

There were three exhibits produced on the afternoon of January 10th. He said Exhibit 17 was cancelled money orders. He said that Exhibit 19 is a record of his earnings and expenses in the operation of his business from the time

he started to the time he finished. Those are the Exhibits, together with Exhibit 18, that was produced at that afternoon session. I did identify this box which the Government attorney referred to as Exhibit 195. This was Exhibit 17 before the Grand Jury. These are the cancelled money orders to which I refer.

Government's Exhibit X-194 was a small black book that was Grand Jury Exhibit 19 that I had there that day. The subject matter of the interrogation in a general way, on the afternoon of January 10th, when I had those three exhibits, 17, 18 and 19, to which I have referred, was the Lawrence Avenue Currency Exchange.

THOMAS M. RYAN, being duly sworn, testified as follows:

Direct Examination by Mr. Plunkett.

I live at 624 West 71st Street. I have been a court reporter for thirty years.

Mr. Hess: We admit his qualifications, your Honor, as a court reporter.

The Witness: As a court reporter I have been in the employ of the United States. I was employed on January 10th and January 12th in the Grand Jury room for the United States. I did there take and transcribe testimony given by one Stuart Solomon Brown. I see him in the courtroom. I have my original notes that I took, with me, on those occasions. Since that time I have had occasion to compare my original notes with the transcript of the testimony.

Government's Exhibit O-211, for identification, contains an accurate transcript of the testimony transcribed by me from the defendant Stuart Solomon Brown on the days you mention. I do know another court reporter who was taking proceedings in the same grand jury. It was

Louis W. Temple, the gentleman that preceded me on the stand. There was no one else besides we two present in taking the proceedings in the Grand Jury room.

Cross-Examination by Mr. Hess.

I reported Mr. Brown's testimony the morning of January 10th, being pages 381 to 429 of this transcript before

me, and the morning of January 12th, being pages 865 to 877.

I checked the transcript in the proceedings on May 23d, just before testifying before Judge Woodward. I have not seen it since. I didn't see any errors in the transcript of my notes. I recall, in a general way, that Brown was being interrogated about a currency exchange that he was running. The first part of the transcription is my work at 10:15 on January 10. The heading in there is "Before the Federal Grand Jury, in re William R. Skidmore; the Grand Jury reconvened pursuant to adjournment." That was not the first day of the sessions. I got the information to put "In re William R. Skidmore" on that transcript when the Jury was impanelled on the first day. This is a continuation of the first day. No one told me it was a continuation of the first day of an investigation on other days. I put the words, "In re William R. Skidmore" because the jury was impanelled to investigate matters relating to William R. Skidmore and that only.

In connection with my transcription reporting of questions, I can not tell from memory if the following question was asked, and Mr. Brown made the answer:

"Q. Now, you state that certain of the records pertaining to the currency exchange are at your brother's home?

"A. That is right."

My answer is the same as to the following question and answer:

"Q. Are you willing to go with a Government officer to that home and get those books and records?

722 "A. Yes."

The Witness: If those questions appear in the transcript I have before me, Exhibit 211, and those answers appear to be made, then they were in fact made.

I reported Brown's testimony on January 12th, in the morning. I did transcribe those notes. I transcribed from notes by dictating into a Dictaphone and an operator transcribes the cylinders. I don't see it after that unless some special occasion is called to my attention.

I did not see this document from January, 1940, or any of it, until May, 1940. Mr. Plunkett, Mr. Miller or Mr. Campbell or the three of them together or any two of them were before the Grand Jury when I was acting as reporter. At times they all asked Mr. Brown questions while I was there. The Grand Jurors asked questions at times.

I do recall the name of the foreman of the Grand Jury. I think it was a lady, Mrs. Binder. She had been foreman for the Grand Jury during its existence.

Mr. Plunkett: The Government will offer Government's Exhibit O-211 for identification.

Mr. Hess: Well, on behalf of Brown we object to that as it purports to be an examination of this defendant before a Grand Jury which indicted him and it does not appear that he was properly advised of his rights in connection with giving testimony resulting in such an indictment; purely involuntary.

As regards to all the other persons, of course, it is hearsay. Object to all of his testimony. It was given in January. It couldn't have been given in furtherance of any conspiracy. If there was a conspiracy the conspiracy was probably ended then, according to the indictment, and in any event they knew nothing about it, so far as this evidence shows. As to them it is hearsay in all respects, and has nothing whatever to do, your Honor, with the net tax-723 able income of Johnson, which we are charged with aiding and abetting an attempt to conceal.

There is a further point. As the examination of these witnesses already shows, this transcript includes matter, subject matter, of an entirely foreign nature from that under inquiry here. Questions about his family relations, as one witness has testified here. I submit that the document as a whole, for that reason, would not be admissible.

Mr. Plunkett: As to the first objection counsel made, it appears immediately in the transcript that the witness was advised as to his constitutional rights.

Mr. Hess: I noticed that, Your Honor. I meant to call it to your attention. I wasn't overlooking anything. I contend that that advice, under those circumstances, is not proper advice of constitutional rights. It is an adversary who is interrogating you and you are put under inquisition and he is giving you advice to which you naturally answer in the affirmative.

Mr. Plunkett: There is no showing of an adversary at all. The United States Attorney is not an adversary of a witness.

Mr. Hess: He is an adversary. The evidence shows here that this resulted in his indictment.

Mr. Hurley: The grand jury does that.

Mr. Callaghan: I want to make the further additional

objection, that to admit this document in evidence would be in violation of the self-incriminating clause of the constitution of the United States.

Mr. Hess: That is what I have in mind.

(Here follows extended argument of counsel.)

The Court: I think it is admissible against the defendant Brown, and if counsel for the Government says he thinks it is all pertinent, within the next twenty-four
724 hours counsel for the defendant will call my attention to parts, specific parts of the transcript he thinks are not relevant or material.

Mr. Campbell: I think the record ought to show that this transcript has been available to defense counsel before, so that he isn't taken by surprise by this offer.

Mr. Callaghan: With the suggestion we knew nothing about the intention of the United States Attorney to offer this document.

Mr. Thompson: As far as I am concerned, I don't want the record to show I knew what Mr. Campbell has stated. I never heard of this document before.

Mr. Plunkett: The Government will also offer at this time Government's Exhibits X-195 and X-196 for identification.

Mr. Hess: Well, these are manifestly not admissible as to anyone except Brown. As to Brown they are hearsay. There is no proof of any kind that he had anything to do with the contents of the book X-196 or that he was the man who did the things that are reported in X-195. There may have been other employes, other persons who did these things and know about them. Nothing here to show that Brown did anything about these things except to produce them before the grand jury. That would not qualify them and their contents. Merely qualifies them for the physical matter that they were brought to the grand jury.

The Court: They may be received against the defendant Brown.

(Said instruments, so offered and received in evidence, were thereupon marked GOVERNMENT'S EXHIBITS 195 and 196.)

Mr. Plunkett: The Government feels it necessary at this time to read just a short portion of that transcript to the jury, if the Court will permit it, in which the defend-
725 ant Brown states he burned the records, certain of the records.

Mr. Hess: I object to reading portions. I insist that before they read any of it that the Court conclude its ruling that either all or part of it is not admissible. It is unfair to read only a part of a transcript, or a statement, to an inquiring body.

The Court: You look it over and tell me how much you want to read.

Mr. Plunkett: From the point marked on Page 407 to the last question and the last answer on Page 410.

The Court: That may be read. The Court has heretofore ruled that the transcript is admissible only against defendant Stuart Solomon Brown, and is not admissible against any of the other defendants. The jury will so consider it.

Thereupon Mr. Plunkett read to the jury a portion of the testimony of Stuart Solomon Brown before the Grand Jury on January 10, 1940.

Mr. Thompson: I desire to make specific objection to this, if the Court please. The point is that on the theory of this case, there is no act or statement of the defendant Brown that should be admissible on any theory, which could be confined to the defendant Brown. This case is solely and only a case of what Mr. Johnson's income was, whether it was evaded, and whether these men aided and abetted him or whether there was a conspiracy to aid and abet him in evading any income tax on properly taxable income. In the statements that are made here admissible against the defendant Brown, that, of course, will be argued into the picture as an act of conspiracy. Therefore, we think
726 that the evidence is wholly immaterial and prejudicial, and does not have any relation to any of the matters that are presented here; it is clearly hearsay as to all of the other defendants; there should be some showing that they had knowledge of the acts; that the defendant Brown so stated, and that those acts were in pursuance of a conspiracy which had been established.

The Court: Overruled.

Mr. Hurley: At this time, if the Court please, the Recordat machine with reference to those films is here in Court, available for defense counsel any time they want it. It has been here since last night.

Mr. Thompson: That is interesting news. We object to any such statement before the jury.

The Court: Objection overruled.

CHARLES F. BAGSHAW, being duly sworn, testified as follows:

Direct Examination by Mr. Hurley.

I live at 1500 East 63rd Place. I have been an accountant for probably twenty-five years. My experience in that line has been accounting and auditing with the general public for many years.

In my schooling with reference to accounting work, I had two years at Queen's University, at Kingston, Ontario; a couple of years at Walton School of Commerce.

I know a man named Stuart Solomon Brown. I see him in the courtroom (indicating the defendant). I first knew him along July, 1938. He called me on the telephone. He 727 asked me what my fees would be to open up a book-keeping system for a currency exchange. I asked him where he got my name. He told me the Central National Bank and then I told him what my fees would be. 728 That seemed to be satisfactory. He asked me when I could come out and take care of it. I told him that I could go out possibly three or four days later.

In accordance with that telephone call I went to 3424 Lawrence Avenue. I met Mr. Brown and a young lady, his assistant, there. Miss Bernice Downey was the young lady. I did talk to the defendant Brown on that occasion at 3424 Lawrence Avenue.

Q. What did he say to you and what did you say to him? Mr. Thompson. That is hearsay as to all of the other defendants?

The Court: Overruled.

The Witness: We just had a general conversation about the opening of this currency exchange and the books necessary to keep its records in, and probably discussed rates at that time. He probably wanted to know what was done at other exchanges. Just a general conversation about the business.

I set up a bookkeeping system there for use in that currency exchange. The name of it was Lawrence Avenue Currency Exchange. I opened up a general ledger and the necessary books of original entry, such as cash books, check register, general journal, accounts payable, money order book, tellers' blotter for his cage; necessary books to run a currency exchange with. I had taken care of the books for

a number of currency exchanges, possibly twenty or more, probably in 1936, 1937 and '38, along in those years. The accounts set up in the general ledger was that a cash account or currency account, a book account, money order outstanding account, furniture and fixtures account, cash prepaid account, rent prepaid account, accounts payable, reserve for uncollected funds, reserve for contingencies. Those were all in the general ledger and following that, came income account and the operating expense account. They were in the general ledger. The cash book had all of the daily cash transactions recorded in it. There 729 was the money order account book; then there was a daily record sheet for the teller, to treat daily transactions. I believe there was another little book that Mr. Brown kept that I did not handle at all, some little book with personal things in. I didn't have that at all. In my experience with currency exchanges it is usual to use what is known as debit and credit slips of money taken in and paid out.

Q. Will you describe what those credit and debit slips are?

Mr. Thompson: Objection to going any further into all of this detail; altogether immaterial to this case; does not tend to prove any of the issues presented; certainly not the taxable income of the defendant Johnson. It is hearsay as to all of these defendants, and can't be confined to the defendant Brown under the theory of the Government's case.

The Court: The Court is not limiting this testimony to the defendant Brown; it is being admitted as against all of the defendants. Your objection may stand to this testimony or any like testimony.

The Witness: Most all currency exchanges use debit slips. Debit slips and credit slips is a method of leaving a permanent record of the cash transactions that transpire during the day, such as when the money is withdrawn from the bank. Somebody may want a couple of thousand or more. A credit slip is put through as a credit to the bank, so it is really a cash book entry that goes to the bookkeeper. If money was paid out in any amount, a debit slip will be taken and the signature of the person receiving the money.

When an order is received this money is set aside for payment. When a check comes in, the money is not paid out immediately; a credit slip is put through crediting that

account, uncollected funds account, so that these credit
730 and debit slips are a means of balancing the cash at
the end of the day. Most all currency exchanges use
that system. Whoever brought a check in and received the
money for it the next day would sign a receipt when he
received the money. The procedure in currency exchanges
on a transaction of that kind is to take two credit slips, put
a carbon paper between them, write out a credit to reserve
for uncollected funds, put the name on it, and get the cur-
rency exchange to sign it. The examiner receives one copy,
and the other copy goes to the bookkeeper to record on the
books. That is the usual procedure. When a person comes
in to receive this money, he brings back the slip. The slip
is taken from him and the cash is given to him and he signs
a debit slip, receipt to acknowledge receipt of the money.
The slip then goes to the bookkeeper to take that money
out of this account that the money has been held in. It be-
comes a permanent record of the currency exchange. It is
just a receipt for the money.

I talked to the defendant Brown about that system of
debts and credits which I have just described. When I first
went there he had stationery already purchased, but he
didn't have the proper forms. I spoke to him about the
system and the way of handling the cash and about the
way of handling the credit and debit slips and he suggested
another method because Mr. Brown had this bank experi-
ence and he knew of another method, and suggested that
method.

In order to substitute for the debit and credit slip method,
we drew up a sheet for the tellers' daily record, with two
sides, a credit side and a debit side, which would substitute
for the debit and credit slips. All credits should be entered
on the credit side, and all debits on the debit side; just a sub-
stitute for that method.

Government's Exhibit X-197 is a teller's blotter, and
this is to take care of the debits and credits I have de-
731 scribed. This was drawn up at the suggestion of Mr.

Brown. I did not see a cash account opened up in any
of these books after that. There was no cash shown of
record. I think I did talk to Mr. Brown about that. I drew
his attention to it. It was not advantageous to run a cur-
rency exchange without cash.

Q. Do you know whether or not it was customary for
currency exchanges to carry cash?

Mr. Thompson: We object to that as immaterial.

The Court: Overruled.

The Witness: Os, yes, they all carry cash.

Mr. Thompson: I move to strike the answer. There is no basis for making any such answer.

The Court: Well, he says he examined twenty-three of them.

The Witness: Yes. I have about eleven right at this minute.

The Court: Overruled.

Government's Exhibit X-198, for identification, also known as Grand Jury Exhibit 46, was the book used for those sheets. There was an account carried in the records of the Lawrence Avenue Currency Exchange, known as "Reserve for uncollected Funds." There was two methods of handling checks that came to the window on which cash was paid out immediately, those checks were entered on the teller's blotter, but there was other forms of checks that came in there on which the cash was not paid out immediately. Those were proved out on an adding machine. Then the sum total was credited to this reserve for uncollected funds.

I closed the books at the end of the month and posted the General Ledger from the books of original entry and took off a balance sheet and profit and loss at the end of each month. I would spend possibly a half a day during the course of a month on that work. I usually went there about the 3d or 4th or 5th of the month following the close of the previous month during the entire period from July, 1938 until the closing of September, 1939.

Q. Did you have occasion in the course of your work there to examine the sheets similar to Government's Exhibit X197 for identification?

A. Well, I didn't put this up, because those were the daily cash balances, but I saw them there all the time.

On the reverse side of those sheets there was a list of checks, a record of the checks, that is the maker of it, and the bank drawn on and the endorser and the amount totalled to balance up with the deposit that went to the bank. That was in typewriting. Miss Downey and Mr. Brown worked in that exchange. Miss Downey did the typing of those sheets. I think I did talk to Mr. Brown about the account known as the reserve for uncollected funds when I dissolved the partnership in October of 1939. When Brown

first started, when this reserve account was opened up, I asked Mr. Brown if these checks were credited to this account belonged to one person or a group of persons. If they belonged to different people other accounts should be opened up, reserve for uncollected funds, so that they could keep the funds separate. At that time Brown said they were from one source. He later told me that the source of the fund was Mr. Johnson.

Mr. Thompson: I move to strike that as hearsay testimony.

The Court: Overruled.

Mr. Hurley: As to this partnership, you said you stated, or that you talked to Brown about that when you were setting up these checks, is that correct?

A. Yes, sir.

I understood from Mr. Brown that the new currency exchange was to be a partnership between Mr. Brown, 733 himself, and Miss Downey, Brown told me that. When you open up books you have to know all the arrangements, how much each one is putting in, so you can open up your books accordingly. He told me how much money they were putting in there. I proceeded to make the necessary entries. If I recall, he first opened up originally with around \$3,200.00. I am just remembering now. I have not looked at my statement.

Government's Exhibit X-194, for identification, are my records and the original capital was \$3200.00 in the name of Mr. Brown. Mr. Brown was supposed to put it in there and it was credited to his account. From the records Miss Downey had not put any money in yet. That capital account was changed at a later date. Mr. Brown put in additional money later on—I just don't recall when it was, possibly several months later. All this money was credited to his capital account. Then, possibly, maybe three months after the opening, a journal entry was made splitting his capital investment and applying it to Miss Downey's. It was divided fifty percent to each. There was no change made in the capital account after the journal entry was made other than a division of the profits at the end of the first year. At the end of the first year the profits are divided fifty percent to each. As to the final closing, it was divided about two-thirds to Mr. Brown and one-third to Miss Downey the second year.

I did this auditing from the period July, 1938, to the end

of September, 1939. I usually got out there around the 3d, 4th or 5th of the month and I believe it was the third of October when Mr. Brown called me and asked if I could come out unusually early this month because he was closing the exchange—he wanted me to close it up. I went out the following day I believe. I saw Mr. Brown and Miss Downey at the Lawrence Avenue currency exchange. I talked 734 to the defendant Brown. He told me that they were closing up the exchange. I said, “What are you closing for?” He said that Miss Downey was thinking of getting married and she wanted her money out of it—he was going to close up. He did state that he had lost Mr. Johnson’s account.

Mr. Thompson: We object to that and move to strike it as hearsay statement.

The Court: Overruled.

The Witness: The account there that I refer to as the reserve for uncollected funds is correct. I did have a further talk with the defendant Brown at that time. I said, “Even if you have lost this account, why close up?” He had other business. Why give up an account in this manner.

I did make a total of these checks that went through. There was a cash turnover for the exchange of the entire period of \$2,600,000. Part of the business he lost was represented at \$1,100,000, so there was a considerable business left.

I questioned him—“Why close up?” That is the way our conversation went, along that line. Brown didn’t exactly say anything when I pointed that out to him. He was just determined to close up. That was all there was to it. I closed him up accordingly.

I did state that those checks in that account, the reserve for uncollected funds, totalled \$1,100,000.00 for the period of July, 1938, to September, 1939. The total turnover that passed through the exchange was \$2,600,000.00. Those checks and record that I have described as having set up here July, 1938, were in the exchange that day when I was talking to Brown. That was early in October, 1939.

The partnership was dissolved and the account ruled off and closed up.

I can’t say that I saw a number of sheets there similar to Government’s Exhibit X-197 for identification on 735 that day, early in October, 1939, because those sheets were filed away. The daily sheet was kept at one time,

the sheet they were working on daily. I can't say that I saw that.

I referred a moment ago to a small book that Brown kept himself. The only time I saw that book was when the balance of this reserve account for uncollected funds did not balance with his book. He was in the cage. I was outside. We called off some entries to see what the discrepancy was. He had the entries in a little book of his own personal record. In other words that would be the teller's record.

Government's Exhibit X-194, for identification, contains a balance sheet of profit and loss for each month, covering the entire period of July, 1938, until September of 1939. Those balance sheets and profit and loss statements were made by myself from the general ledger of the Lawrence Avenue Currency Exchange. When I went out there at the end of each month or beginning of the first month I took off my trial balance and made up my balance sheet and profit and loss in pencil form, and then a stenographer in the office typed it for me, and I mailed back a copy to Mr. Brown and I kept a copy. One of them went out there to the Lawrence Avenue Currency Exchange for each month, and I kept a copy.

Government's Exhibit X-199, for identification, contained the general ledger and the check register, the general journal and the accounts receivable, all under one cover, with indexes separating them.

Q. Did you have any talk with the defendant Brown early in the month of October that you have described you were out there, with reference to what should be done with these books if the exchange was closed?

A. Yes, I did.

The Witness: I told Mr. Brown that for the reason 736 that the profits of this partnership were divided 50 percent to each partner in 1938 and then in 1939 when I closed the books, that is, on this same day, they were divided two-thirds to Mr. Brown and one-third to Miss Downey, there was an unequal distribution for the entire period. Now, on income tax the Government, from my experience, is very—the income tax department are very careful on partnership returns, they audit them very closely, and on account of this unequal distribution of the profits for the second year, being different from the first year, the books should be kept in case there is examination required

later on, should be put in safe keeping. That was my reason for making that statement.

Mr. Hurley: I offer at this time Government's Exhibit 194, your Honor, X-194 and X-197.

Cross-Examination by Mr. Thompson.

X-197 is an account sheet that was incorporated in this Exhibit that I have identified here as the binder. Government's Exhibit X-198—I never saw this sheet. It came from around here some place. I drew it up for Mr. Brown originally. I drew that up in pencil and Mr. Brown drew the lines in ink and the headings. He had it photostated to get copies of it made. It is probably planographed, or whatever they call it.

I headed the first column "Edison" because in a currency exchange they accept the light bills from people that they pay and they keep the income from that separate from other incomes.

The column over to the left there is not used very much and one column happened to be Edison and another one for the gas company. That is my idea. Other currency exchanges did not use these columns at all until I suggested it to them—they did not know enough. A good many of them don't, not even today—they mix everything up together. I kept everything separate.

737 I have never testified before in my life. This is my first experience.

I have had fourteen years of banking experience. Mr. Brown accepted my system for a currency exchange on the recommendation of the Central National Bank. Whatever I said with Mr. Brown was O. K. because I came with good recommendation from a banker, I believe vice president of a bank.

Mr. Brown inquired of the bank who to get—that is where he heard of me. The bank sent me out. They gave me currency exchanges to go to and to take care of for them. Not only this bank, but another bank, the Halsted Exchange. When I went out to Mr. Brown I suggested using credit slips or a bookkeeping sheet, which he preferred. Mr. Brown suggested the sheet because that is the method they use in banks. Mr. Brown suggested the column "Edison". He did not suggest the column headed "Gas". He suggested the part they use in a bank, the teller's blotter.

The purpose of the third column is that in a currency exchange a good many merchants from around nearby come in and they want a twenty dollar bill changed into maybe quarters and dimes and nickels, and there is a slight charge for their services. That column there is to put that change in—it might be dimes and it might be nickels—I mean that is the fee for the service.

This was a sheet designed by me after my conference with Mr. Brown. The sheet was to be used to contain, in the first instance, the transactions of this currency exchange. The balance is cash from that. He had one sheet for each day. This was an original entry sheet, kept by the teller at the window of the currency exchange.

I didn't use these original entry sheets to make my financial statements that I am speaking of here. I didn't refer to these sheets like X-197 in my work down there as the 738 auditor of this exchange. I did see these sheets actually used, and some of the entries made on them. In the early part of it I showed Mr. Brown how to run it and got him so he could balance it up and then I would be through with it. He conducted it himself from then on.

In the early part of it I explained it to him, and watched him there several times to see if he ran it right and after he knew himself how to do it I let him handle it from then on and I had nothing further to do with it.

The first sheet of X-194 appears to be a balance sheet at the end of July 1938. It is prepared from the trial balance of the general ledger. I handled that personally.

C. F. Bagshaw & Co. is myself and several others when we are in a busy season. It is not a corporation or partnership—I am the owner of it.

These several profit and loss statements and balance sheets truly and correctly reflect the records of the currency exchange from period to period. I made audits myself.

I personally made up the originals of the balance sheets and the profit and loss sheets in my handwriting. There is a balance sheet and profit and loss statement for each month beginning with July '38 and concluding with September, '39.

I can't say as I ever saw William R. Johnson in my life. I can't say as I ever saw him around the exchange anywhere. I can't say as I know the rest of these defendants here except Brown—never saw them in my life before.

I never had any conversations with any of them. I didn't

concern myself with Mr. Brown's customers at all—never paid any attention to any one over there.

I testified before Judge Woodward in another hearing relating to this same subject matter.

The following question was asked at that hearing:

739 "Q. What was the advice you had given Mr. Brown?

You told him specifically, did you not, to keep these books and records?"

I presume I made the following answer:

"A. I told him in an offhand way. I don't say I was giving him any advice; I just happened to say he might need those for the return at the end of the year, just in the natural course of events. I don't say I was giving him any advice other than what he already knew."

I don't remember whether it was Mr. Plunkett or Mr. Miller who was examining me at the time I made that answer.

Q. Is that the conversation that you had with Brown where you told him that he ought to keep these books—

A. I believe I wanted him to.

Q. Just a casual conversation?

A. Why certainly. We were just talking.

I probably didn't say that word for word in the statement I gave a few minutes ago, but with the same meaning behind it. I can't say at this time, nearly a year later, the same words—but it had the same meaning—was the same.

I was called for questioning by the United States Attorney four or five times. I testified before the Grand Jury. I don't recall how many times I was talked to before I was taken before the Grand Jury—at least twice. I think I told the same story before the Grand Jury relating to these conversations. I can't say whether I did or not talk with the United States Attorney a few times before I testified before Judge Woodward. I just don't remember whether I did or didn't. I don't want to answer one way or another. Those talks took place some time last spring, about May. I got a subpoena in November for the Grand Jury. This hearing before Judge Woodward was about May, 1940
740 —this spring sometime—I just don't recall what month.

I never heard of the United States Attorney or any of his assistants for months, until I received a card from them. I was told to come over here, that they had a subpoena for me. That was Monday, the 9th, about Thursday or Friday of this week. I had a telephone call to come over, that they

had a subpoena for me, and couldn't reach me. For months I hadn't heard of these Government men. I think it was Thursday or Friday previous to September the 9th. I came in and they called me later in the day. I didn't discuss the case at that time. I never saw any of these men.

I went upstairs to the Marshal's Office and then I received this card, and then I appeared on Monday, the 9th, at the time this card tells me to appear, on Monday, the 9th. When I came up here on the 9th, I think, I saw a clerk downstairs and he told me to sit down a minute. I sat down. He came back later and told me they didn't need me. He told me to come in the next morning, and I came in the next morning. Then I saw Mr. Miller and he told me that he wouldn't need me, and kept postponing it until the next day, and then two or three days later, he asked me to come in there—well, I saw Mr. Miller. I will drop it at that point. He just asked me some questions: my name, my address, and he put that down. He asked me the date I went to the currency exchange—questions along that line. They had my address six months ago, but since that time I have moved. He asked me questions similar to what I have been asked today, with respect to books and dates and different things. I was asked more questions today than I was asked then. I was not asked very many—five or six questions. I had no idea what I was going to be asked. I was asked more today than he asked me down there. I answered before the Grand Jury probably the same thing.

741 I said Mr. Brown told me this big account I mentioned here was the Johnson account. In the currency exchange, doing auditing like I was, it was more than natural that I know all these things. Mr. Johnson's name was not on a single book in that exchange. I never saw it,—never saw Bill Johnson or any other Johnson. He always referred to it as "Johnson". I never knew Johnson's first name. I didn't know what Johnson he was talking about. He never mentioned any other persons' account to me by name.

There was a lot of activity in that account—a lot of figures I was balancing there—naturally he told me it was Johnson's account. I didn't find out downtown or any place else but from Mr. Brown. No one else knew Mr. Brown's business except Mr. Brown, himself, Miss Downey and myself. I didn't get it here at the Federal Building. The first I ever heard of such a man was in existence as Johnson was

in the currency exchange. I never heard of him before. I didn't know anything about the person to whom reference was made, at that time I didn't know. Mr. Johnson was the same as any other name to me at the time. I didn't know him—only what I have read in the newspapers. Mr. Johnson was a total stranger to me, even for months after. He is still a stranger as far as his name is concerned. That name might have been a woman's name—no prefix was given to it. It might have been a corporation. If a person wanted to cut it short they might refer to a corporation. We called one account there the Edison account. That was not an individual. We called another one the gas account. The first conversation where Johnson was mentioned was after I opened up the system in the currency exchange. I can't tell you the day—it was a year and a half or two years ago. I can't tell you that. It would be sometime in July of 1938 when the reserve for uncollected funds account showed activity. That is the name of the account. There were 742 numerous entries in the account, and no names of persons. There was no indication as to who was the creditor, as to the debit items in that account. There was nothing on that sheet of paper to show who the debtor was as to credit items in that account. Mr. Brown told me that was Johnson's account. There was positively not any person's name on there at all, the maker of the checks, the payees of the checks, or anything else. I don't know about Johnson's name being mentioned a second time. I know another time it was mentioned at the final closing of the exchange. I don't know of a second time. This second time I mentioned that was when the exchange was closed. Mr. Brown said he was closing the exchange because he was losing Johnson's account. That was the purpose. That is true.

The reserve for uncollected funds account was the one to which I referred. That reserve for uncollected funds is on the checks put through for collection. I don't know how long those items would stay on the books. The reserve for uncollected funds would show when the check was received for collection, and the account would be debited when the check was paid to the customer. If checks were received in the amount of \$5,000.00 there would be a credit for \$5,000.00 put in the account, and when that amount was paid out it would be on the other side. It didn't double. It would be the same amount. The aggregate of the two would be double the face of the checks. That account totaled \$1,100,000.

The reason it brought about the conversation as to whether all the checks belonged to one person were those checks. That is where Mr. Johnson's name was first mentioned in July, 1938, when the exchange opened. The name was just the "Johnson" account—like you would speak of the Edison account. For the entire period there was a 743 little over a page used. There was \$1,100,000.00 represented on that page. That is the end of the period. There was only one item in this account on the day of the conversation, because the cash book only carried one credit or one debit in the month. I asked if it was the total of the numerous items that belonged to one person or several persons. Those numerous items were recorded on that sheet you have there, the maker of the check and the payer. That sheet wouldn't mean anything to me. I didn't pay any attention to that. I didn't pay any attention to who the payees were. It showed the total of the checks received. I am speaking of the reserve for uncollected funds.

On the back of Government's Exhibit X-197 a special description of each check appeared. All of those checks to which reference was made in the total on the front of the sheets—those were all put on there in typewriting. It should show who the makers of these checks were. I can't say as I examined it, but it should have—it was designed for that purpose. It should show who brought the check in to be cashed. In all of my examination of that account I never saw the name "Johnson" anywhere on any of these books.

I did not make a written statement for the United States Attorney as to what I knew about this matter. I have not seen a transcript of my testimony before the Grand Jury.

Mr. Thompson: If it is available, then, we would like to have it for examination. We ask that it be produced.

The Court: Do you object to producing it?

Mr. Hurley: Yes, sir. It is testimony before the Grand Jury.

The Court: Objection sustained.

